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Commonwealth Finance Ministers Issue Communique

BK1010141691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 10 Oct 91

[Text] The Commonwealth finance ministers meeting in Kuala Lumpur have identified four areas in which action is necessary if the forces of economic recovery are to be strengthened.

The joint communique issued at the end of their two-day meeting said the ministers stressed the importance of speedy, significant, and balanced outcome from the Uruguay Round of talks. The need to achieve a marked reduction in trade barriers and other distortion in the agricultural market were especially necessary.

They drew attention to the dangers of protectionism, and inward-looking regionalism. They also stressed the contributions which open trade and its influence on its financial flows can make to sound development.

The ministers emphasized the need for further action to deal with the difficulties faced by many heavily indebted countries. The ministers also noted the scope for developing countries to help themselves through sound and imaginative economic policies.

Commonwealth Equity Fund Investment in Malaysia

BK1010114691 Kuala Lumpur BERNAMA in English 0853 GMT 10 Oct 91

[Text] Kuala lumpur, Oct 10 (OANA-BERNAMA)—The Commonwealth Equity Fund [CEF], launched in London in September last year, with a market capitalisation of U.S.$56.6 million has to date invested U.S.$13 million in the Malaysian stock market, an official of the fund said here Thursday.

Dr. Vishnu Persaud, a director of the Commonwealth Equity Fund said the amount invested represented 21 percent of the CEF's funds and Malaysia was one of the largest beneficiaries of the fund after India which received almost 40 percent of the funds's investment.

Other receipients of the fund's investment are Sri Lanka, Pakistan, Zimbabwe and Cyprus.

In an exclusive interview with BERNAMA Thursday, he said the fund, whose set up was endorsed at the Commonwealth Heads of Government Meeting in Kuala Lumpur in 1989, had achieved its aim of helping newly emerging stock markets of Commonwealth countries.

Dr. Persaud added that the Commonwealth Equity Fund was now able to invest in 11 countries, after long drawn out discussions with recipient countries, and he was hopeful that this number would be more than doubled in two years.

Up to June 30, 1991, the fund had invested a total of U.S.$43 million in the stock markets of Commonwealth countries, he added.

The Commonwealth Equity Fund is a vehicle to mobilise resources to Commonwealth developing countries and it seeks to encourage the development of these countries' capital markets.

The Commonwealth Secretariat provides these countries with the necessary technical assistance as the fund is purely a private financial scheme with investment and participation by major financial institutions.

The governments of Commonwealth countries are not required to provide any financial contribution and guarantee.

France To Host Talks on Restoring Aid to SRV

BK1110081091 Hong Kong AFP in English 0739 GMT 11 Oct 91

[By Peter Starr]

[Text] Bangkok, Oct 11 (AFP)—France is to host a meeting of a dozen rich nations in Bangkok next week to discuss ways of restoring international financial assistance to Vietnam despite U.S. opposition, financial sources said Friday.

One source said the meeting would focus on how to achieve a balance between lifting the 12-year freeze on economic assistance to Hanoi, imposed by many countries after Vietnam invaded Cambodia, and U.S. opposition to restoring aid.

The talks, coinciding with the annual meeting of the World Bank and the International Monetary Fund (IMF), are to include officials from the Group of Seven (G7) and countries friendly to Vietnam such as Sweden and Australia.

Sweden, unlike most Western countries, maintains an active aid program in Vietnam. Australia, for its part, announced Wednesday that it was resuming direct financial assistance as a reward for Vietnam's recent role in helping to achieve a peaceful settlement to resolve the Cambodian conflict.

Sources said other possible participants in the meeting included Indonesia, which represents Vietnam at the IMF, and South Korea.

Vietnam is one of a handful of countries in arrears with the IMF and currently has outstanding obligations of almost 140 million dollars. The country was declared ineligible to receive new funds in 1985 and has been in this position longer than any other IMF member.

Hanoi nevertheless started to make interest payments in 1989 and has since received non-financial assistance from the IMF in implementing a broad program of economic and structural reforms aimed at moving towards a market economy.

The IMF has welcomed Vietnam's efforts to stabilise its arrears. But attempts by some countries to reward its goodwill with fresh IMF loans have been persistently blocked by the United States which remains obsessed with the Cambodian conflict and the fate of American soldiers still missing in action in Vietnam.

"Vietnam has been unfairly treated as far as the strategy on arrears is concerned," said a senior European delegate to the IMF and World Bank meetings.

The meeting next week is therefore expected by some officials here to raise pressure on Washington to ease its stand while avoiding confrontations over the issue which have occurred in the past between France and the United States.

"It is not in the interests of Vietnam that we engage in a confrontation with the United States," the European delegate said, while acknowledging that a good number of industrial countries would be ready to go without the Americans.

Some delegates to the meeting on Vietnam expressed confidence that after years of going around in circles, the issue may be finally resolved.

"The whole world is waiting for the United States to make a decision and change its position," said Lennart Bage, the Swedish Foreign Ministry's assistant undersecretary for international aid.

"I sense somewhat of a movement," he said.

Others said that France, the former colonial power in Vietnam, was unlikely to host a meeting if it was not confident of at least some progress on the issue given past clashes with the United States.

"The French wouldn't go ahead unless there was a fair indication that the Americans will go ahead," said one IMF executive director, adding that he was "reasonably confident" that some progress would be achieved at the meeting.

Markus Fogelholm, a Finnish executive director who represents the Nordic countries at the IMF, said France should take a stronger stand.

"The problem is not with money but how to get France to go ahead even if the U.S. does not go ahead," he said. "It's a circle which closes all the time."

A spokesman for the Australian Council for Overseas Aid said Thursday that the decision by Foreign Minister Gareth Evans to restore aid was "the beginning of a landslide of Western nations developing aid projects in Vietnam."

Japanese Ministers Arrive for IMF Meetings

OW1010132391 Tokyo KYODO in English 1202 GMT 10 Oct 91

[Text] Bangkok, Oct. 10 KYODO—Japanese Finance Minister Ryutaro Hashimoto and Bank of Japan Governor Yasushi Mieno arrived in Bangkok on Thursday to attend a series of international financial meetings to be held here over the weekend and next week.

Hashimoto and Mieno are scheduled to attend the weekend meeting of the Group of Seven (G-7) industrial countries and the following annual meeting of the International Monetary Fund (IMF) and the World Bank.

Hashimoto, who has said he will resign after the meetings over Japan's most recent financial scandal, is expected to return to Tokyo to October 13 or 14.

The IMF-World Bank meeting runs until October 17.

Son Sann Arrives in Bangkok for IMF Meeting

BK1110064591 (Clandestine) Voice of the Khmer in Cambodian 0430 GMT 11 Oct 91

[Text] His Excellency Son Sann, president of the Khmer People's National Liberation Front [KPNLF] and member of the Supreme National Council [SNC] of Cambodia, arrived in Bangkok on 10 October afternoon to attend the annual World Bank meeting.

His Excellency Son Sann, who is the former governor of the National Bank of Cambodia and former Cambodian prime minister, will lead the SNC delegation at this meeting to be held next week. The six-member delegation is composed of representatives from all factions including His Excellency Son Sann.

His Excellency Son Sann plans to visit regions inhabited by KPNLF-loyalists next week following the World Bank meeting before he goes to Paris to sign a peace agreeement for Cambodia at the Paris international conference on Cambodia on 23 October.

He visited the United States and Canada recently to attend the SNC meeting and the 46th UN General Assembly in New York and to meet Cambodians living in the two countries.

Editorial Hails ASEAN Endorsement of EAFC

BK1110093691 Kuala Lumpur NEW STRAITS TIMES in English 10 Oct 91 p 10

[Editorial: "Trading on Cooperation"]

[Text] In a world perceptibly encapsulated by regionalism and protectionist mercantilist policies; where world lobbies are dominated by larger, more powerful nations (the example of the US dominating NAFTA [North American Free Trade Area] and APEC [Asia Pacific Economic Cooperation] comes to mind), how can the relatively smaller, developing countries of this part of Asia be seen, heard and heeded? The idea of the East Asia Economic Caucus (EAEC) (as accepted by the ASEAN partners) will be able to provide a podium for ASEAN countries to muster their thoughts, opinions and resources so as to be better heard and be more effective in facing international challenges.

Rather than be fractionary, strength in solidarity and voices in unison should be effective buffers in deflecting any Big Brother tendencies on the part of the bigger nations. It is a reflection of ASEAN maturity that they were able to accept each other's proposals, shedding nationalist tendencies in the interests of a better ASEAN economic entity and making adjustments where necessary.

ASEAN's agreement of the EAEC concept will promote the chances of it being accepted by economic superpower, Japan, which has put off any decision on the concept until ASEAN has determined its own position, and persuaded the US to follow suit; especially if the EAEC can play an incipient role to complement the Asia Pacific Economic Cooperation APEC.

The formation of an ASEAN Free Trade Area (AFTA)—under which goods will move freely across the borders of the six nations within the next 15 years to create a liberalised ASEAN market with a Common Effective Preferential Tariff (CEPT) of between zero and five percent for manufactured goods—is seen as a major breakthrough in ASEAN economic co-operation.

ASEAN is one of the fastest growing and dynamic regions in the world with a projected economic growth of between five and eight, percent a year for the rest of the 1990s. It offers tremendous potential for intra-ASEAN trade. Unfortunately, despite 24 years of cordial diplomatic co-operation, its track record as an economic partnership has been a series of false starts, a situation bound to provide fuel for scepticism among ASEAN's detractors.

The ASEAN Preferential Tariffs System has often been held up as an example of how ASEAN's economic vision could become blinkered by the self-interests of the countries concerned. The trade in 1989 constituted only 3.2 percent of the region's total intra-trade; less than 900 products were traded out of 14,656 products eligible under the PTA [Preferential Trading Arrangements].

The question will be whether talks of such an economic programme, especially since it is scheduled for 15 years from now, will fizzle out when faced with the larger realities of implementation. Will the political and economic will be there to enforce it given that in the past, member states have been known to warmly accept an idea and then put it on hold?

This time round however, as pointed out by Datin Sri Rafidah Aziz, ASEAN's partners, drawing on experience and learning from the shortcomings and problems they have encountered, are determined not to make the same mistakes. Perhaps in the past, the similarities in ASEAN products tended naturally to fan national interests, but this time round, the diversification of ASEAN economies and higher per capita income of its peoples, will provide the basis to correct this. Not to mention that the need to help each other has engendered a greater sense of practicalism.

Japan

Hashimoto Says Japan 'Neutral' on Credit Stance

OW1110104091 Tokyo KYODO in English 1001 GMT 11 Oct 91

[Text] Bangkok, Oct. 11 KYODO—Japanese Finance Minister Ryutaro Hashimoto said Friday that Japan takes a neutral stance on coordinated interest rate cuts.

Hashimoto made the remark shortly before a meeting of finance ministers and central bankers from the Group of Seven (G-7) industrialized nations got under way at Bangkok's Queen Sirikit National Convention Center Friday afternoon.

The Japanese finance minister is chairing the G-7 meetings on Friday and Saturday.

His remark was regarded as indicating Japan may be responsive to a U.S. request for an interest rate cut.

Hashimoto had earlier insisted the Japanese economy remains steady, ruling out any relaxation of its monetary policy.

The G-7 countries are divided on financial policies with the United States seeking to lower interest rates to prop up its economy while Germany maintains a tight credit policy in fear of inflation.

Official Reiterates Opposition to Rice Tariffs

OW1110110991 Tokyo KYODO in English 1014 GMT 11 Oct 91

[Text] Tokyo, Oct. 1 KYODO—A senior Farm Ministry official Friday reiterated opposition to submitting Japan's rice market to the so-called "tarrification" proposal in global trade talks.

Jiro Shiwaku, vice minister for international affairs of the Ministry of Agriculture, Forestry, and Fisheries, also denied reports that Prime Minister Toshiki Kaifu, reversing his earlier stance, now supports the idea of converting all nontariff barriers on rice into tariffs.

"It is unconceivable that the prime minister would change his mind on the rice issue. Our policy to pursue self-sufficiency in rice remains unchanged," he told a press conference.

News reports said over the weekend that Kaifu is studying the possibility of accepting the tariffication idea in order to make an impression on the United States prior to the planned visit to Japan by President George Bush in late November.

Shiwaku's remarks came as speculation grew that the United States and the European Community (EC) are closing ranks over farm trade reform, with Brussels turning receptive to the tariffication scheme.

The likely trans-Atlantic concession is expected to leave Japan isolated in the Uruguay round of multilateral trade talks, sponsored by the General Agreement on Tariffs and Trade (GATT).

Shiwaku cited several factors for Japan's heavy protection of the rice market.

These include Japan's status as the world's biggest net importer of foods, its efforts toward liberalization in the trading of beef and other farm products, the low self-sufficiency in foods, and domestic production controls.

Japan, he said, depends on imports for more than half the national calorie intake and domestically supplies only 30 percent of its cereal consumption.

It is "simplistic" to think that Japan is closed to farm imports merely because it resists the tariffication idea, because the country imports more food than any other country, he said.

He added Japan's internal production control would also be greatly hampered by imports resulting from tariffication.

"I have my doubts about the reasonableness of arguments on tarrificaion for all items."

Given the persistent concern in Japan over food serity, "we need to voice the positions of the food importing countries," he said.

Shiwaku was also critical of the U.S. and other food exporting countries, which, he said, while pressing their demands for tarrification, are dragging their feet over problems of their own, especially the issue of reduction of export subsidies.

"We cannot persuade our farmers and other people concerned unless exporting countries show their commitment to reducing export subsidies in a sufficiently convincing manner," he said.

USSR's Milyukov Calls for Rescheduling Debt

OW1110034891 Tokyo KYODO in English 0331 GMT 11 Oct 91

[Text] Moscow, Oct. 10 KYODO—An economic adviser to Soviet President Mikhail Gorbachev said Thursday that Moscow vitally needs financial support from the Western world, including a rescheduling of external debt repayments.

Anatoliy I. Milyukov, in an interview with KYODO News Service, said that what the Soviet Union needs most now is full-scale financial assistance from the West to rebuild its economy, adding that Moscow wants to have its debt repayments rescheduled and obtain a bridge loan.

Milyukov welcomed Moscow's admission to the International Monetary Fund (IMF) as a special associate member under which it is entitled to receive technical aid from the world body.

He added, however, that financial aid is indispensable for the Soviet Union to ensure transition to a market economy and Moscow hopes to obtain loans from the IMF.

The Soviet Union's external debt has topped 70 billion dollars and is heading for 80 billion dollars, making it extremely hard to repay it because of increasing interest payments, he said.

Most of the foreign exchange earned from exports has to be diverted for interest payments, while nearly 5 billion dollars is needed to import grain.

Milyukov expressed the hope that creditor nations will agree to reschedule the debt repayments and provide new loans to the Soviet Union during negotiations currently under way.

Moscow greatly appreciates Japan's 2.5 billion dollar aid package to help the Soviet Union and it regards the decision as symbolizing improving bilateral relations, he said.

The two countries should promote economic cooperation despite the long-standing territorial dispute between them, he said.

Japan's aid will help improve the government finances and introduce foreign technology for the development of natural resources, Milyukov said.

Referring to a proposal for formation of a Soviet economic union patterned after the European Community, Milyukov said a currency-control mechanism similar to the U.S. Federal Reserve Board is desirable to coordinate fiscal and monetary policies among the Soviet republics.

The federation will collapse if each republic issues its own currency, he warned.

Milyukov said the transition to a market economy will take about five years to complete and the federal government will start privatizing small- and medium-sized enterprises in about two years.

Accord With RSFSR on Siberian Timber Project

OW1110125391 Tokyo KYODO in English 1141 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—After years of tough bargaining, Japanese trading companies and the Soviet Union signed an agreement Friday for a 1.4 billion dollar project to develop timber resources in Siberia starting next January, officials said.

The five-year Siberian lumber resources development project will involve roughly 1.4 billion dollars worth of barter-like trade, said officials at KS Industry Co., which represents some 10 Japanese firms involved in the deal.

Under the agreement, Japan will export construction machinery and lumber-processing equipment to the Soviet Union in exchange for six million cubic meters of raw lumber and 400,000 cubic meters of processed wood over a five-year period starting in 1992, the officials said.

The project marks the first major joint venture between Japan and the Russian Republic, which has jurisdiction over Siberia.

The project, worked out after nearly four years of negotiations, was agreed upon in principle in late January at the 13th joint meeting of the Japan-Soviet and Soviet-Japan business cooperation committees, the regular conclave of Japanese businessmen and Soviet government and industry officials.

The project, the fourth of its kind involving joint timber resources development in Siberia, originally was to begin in 1987 but was delayed due to disagreements over terms of the barter arrangement.

Nissan Motor Co. To Produce Engines in Mexico

OW1110022291 Tokyo KYODO in English 0019 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Nissan Motor Co. is planning to produce engines at its Mexican subsidiary that will be used in its U.S.-made passenger cars starting in the summer of 1992, an economic daily reported Friday.

Nissan Mexicana S.A. De C.V. will produce 200,000 of the company's 2400 cc displacement four-cylinder series engines each year for use in a new model passenger car to be manufactured by Nissan's Tennessee-based subsidiary, Nissan Motor Manufacturing Corp. U.S.A., the NIHON KEIZAI SHIMBUN said.

Nissan has already exported Mexican-made engine parts to the United States, taking advantage Mexico's cheaper labor force, the paper said.

The move to produce whole engines in Mexico is aimed at beefing up Nissan's competitiveness in the U.S. market, taking into consideration that the United States, Canada, and Mexico are planning to conclude a free trade agreement in 1992, it said.

Nissan Mexicana has now a production capacity of 250,000 engines per year, and plans to expand that figure to 500,000 engines per year in time for production of the new U.S.-manufactured car model, it said.

Miyazawa Wins Kanemaru Faction's LDP Support

OW1110094891 Tokyo KYODO in English 0926 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Kiichi Miyazawa won the support of the most powerful faction Friday and was assured of winning the leadership of Japan's Liberal Democratic Party (LDP) to become prime minister, LDP sources said.

The LDP's largest power bloc threw its support behind Miyazawa, 72, head of the party's third-largest faction, ensuring Miyazawa's victory in the October 27 party presidential election.

Kingmaker Shin Kanemaru, 77, head of the No. 1 faction, endorsed Miyazawa's bid for the party presidency, the sources said.

After balloting by the party's 395 Diet members and its 1.75 million rank-and-file members, Miyazawa is expected to succeed Prime Minister Toshiki Kaifu as party president at an extraordinary convention on October 28.

Miyazawa's two-year term of office as LDP leader will begin October 31, the day after Kaifu's tenure expires, party officials said.

The cabinet plans to convene an extraordinary session of the Diet on November 5. Both houses of the Diet will hold a prime ministerial election on that day. Miyazawa will be elected head of government because of the LDP's stable majority in the 512-seat House of Representatives.

Kaifu said last week he will not seek another term because of the killing of his political reform bills in the Diet.

Watanabe, Komoto Factions Respond

OW1110121891 Tokyo KYODO in English 1135 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Veteran conservative politician Kiichi Miyazawa was virtually assured Friday of becoming Japan's next prime minister after getting the support of the biggest faction within the country's ruling Liberal Democratic Party (LDP).

At an emergency general meeting Friday evening, the LDP's No. 1 faction founded by former Prime Minister Noboru Takeshita and currently led by kingmaker Shin Kanemaru approved a proposal to endorse Miyazawa, 72, in the leadership race.

Miyazawa, a former finance minister, faces two rivals in the October 27 party presidential election to replace Prime Minister Toshiki Kaifu, who is stepping down.

Kanemaru told faction members, "after mulling this over one way and another, I have reached a conclusion that the Keisei-kai (Takeshita faction) unanimously supports Mr. Kiichi Miyazawa."

"I will call for your generous support (to Miyazawa) in the LDP presidential election. I'm happy if you approve Keisei-kai's support of Mr. Kiichi Miyazawa," he said.

After receiving the Takeshita faction's decision, Fumio Abe, secretary general of the Miyazawa faction, said "(our faction) is full of joy."

The 31-member smallest faction led by former state minister Toshio Komoto also decided to endorse Miyazawa after a meeting between Kanemaru and Komoto, faction sources said.

Asked for comment on the No. 1 faction's decision, Michio Watanabe, also a former finance minister and one of the two other declared contenders, told reporters, "it cannot be helped. I will not be alternatively happy and miserable. I will fight fairly and squarely."

The three hopefuls, Miyazawa, Watanabe, and Hiroshi Mitsuzuka, have been lobbying the Takeshita faction to obtain support in the party leadership race.

Watanabe and Mitsuzuka, a former transport minister, lead their own factions with 70 members and 89 members respectively.

The 105-member Takeshita faction's decision assured Miyazawa of election to the LDP presidency because the combined number of LDP Diet members of the three factions led by Miyazawa, Takeshita, and Komoto is 257, a comfortable majority among the party's 395 parliamentarians.

The LDP's 1.75 million rank-and-file members are eligible to cast their votes to choose 101 electoral college members, while the party Diet members each have a single vote.

The winner must obtain a simple majority of 249 votes. In case none of the candidates wins a simple majority, a runoff election between two top vote getters will be held among the LDP Diet members only.

Miyazawa, leader of the third largest faction with 82 members, overwhelmingly outpaced Watanabe and Mitsuzuka as the most favored leadership candidate in a poll of rank-and-file LDP members, the major national daily YOMIURI SHIMBUN reported Friday.

Both Miyazawa and Watanabe were implicated in the 1988 Recruit influence-buying scandal. Miyazawa was forced to resign as finance minister in December 1988.

Because the LDP enjoys a commanding majority in the powerful House of Representatives, the new LDP president will automatically become prime minister.

The Takeshita faction earlier abandoned plans to field its own candidate after former LDP secretary general Ichiro Ozawa refused to run in the election, citing poor health and lack of preparation.

Kaifu, whose two-year term as LDP president expires October 30, said last week he would not seek a second term after failing to ensure passage of political reform bills in the Diet.

The LDP is scheduled to accept registration of candidancies October 19 for the presidential election.

Miyazawa is expected to be named as the new prime minister at an extraordinary Diet session November 5.

Miyazawa Says Tensions With U.S. 'Not Serious'

OW1110085491 Tokyo KYODO in English 0807 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Kiichi Miyazawa, the leading candidate for the premiership, said Friday tensions unleashed by U.S. criticisms of Japan are not a serious bilateral problem because the two countries share similar values.

"We have the same values. If we want to say something to each other, we do so frankly," Miyazawa told a news conference at the Japan National Press Club.

Indicating he favors further changes to Japanese business practices, the 72-year-old former finance minister said unless Japan meets international standards, it will not be able to fulfill a vital role in the world economy.

Miyazawa said the Structural Impediments Initiative (SII) trade talks concluded last year with the United States that challenged each others business and administrative customs should not be considered interference in domestic affairs.

In the talks, the U.S. disputed the fairness of "keiretsu," the interlocking structure of Japanese corporations, and advised Japan to substantially increase its public works programs. Tokyo advised Washington to slash its budget deficits and beef up its efforts to train personnel.

On relations with the Soviet Union, Miyazawa said he agreed with Japan's recent pledge of 2.5 billion dollars in emergency and trade aid to the Soviet Union.

But he said more should be done to assure Soviet citizens living on four disputed islands off Hokkaido that their lives will "not get worse" if the territory is returned to Japan.

The resolution of the territorial issue should be based on good faith, he said.

Miyazawa, once a Finance Ministry bureaucrat and involved in government since World War II, said Japan must do its utmost to help support United Nations peacekeeping activities, within the constraints of the war-renouncing constitution, which bans Japan from resorting to use of force as a means of settling international disputes.

If he becomes prime minister after Toshiki Kaifu steps down October 30, he said he would work to ensure the speedy passage of a bill allowing Japan to dispatch Self-Defense Forces personnel to U.N. peacekeeping forces.

Miyazawa, a fluent English speaker with a reputation as an internationalist, appears assured of being elected Liberal Democratic Party president this month because of the expected support of the largest party faction.

The head of the third-largest faction with 82 members, he said he thought the presidential election would be tough, and called for party unity after the winner is declared.

A newspaper survey of rank-and-file LDP members released Friday also showed Miyazawa outstripping his two rivals. Of the 2,748 respondents to the YOMIURI SHIMBUN poll, 44 percent backed Miyazawa, while 8 percent favored Michio Watanabe, and 5 percent supported Hiroshi Mitsuzuka.

Prime Minister Toshiki Kaifu has announced he will not seek a second term.

Finance Official Supports Current Exchange Rate

OW1110100591 Tokyo KYODO in English 0900 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Vice Minister of Finance Hioshi Yasuda said Friday he supports the current strength of the yen against the dollar as it reflects the economic fundamentals of each country.

Yasuda also said U.S. Treasury Secretary Nicholas Brady told Finance Minister Ryutaro Hashimoto at their Tokyo meeting on Wednesday that present exchange rate levels are not a problem.

The exchange rate levels are expected to be supported at the Group of Seven meeting among top financial officials of industrialized nations, which began in Bangkok Friday afternoon, Yasuda added.

Stock Exchange Fines 'Big Four' Brokerage Firms

OW1110105591 Tokyo KYODO in English 1016 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—The Tokyo Stock Exchange (TSE) fined the "Big-Four" securities firms 5 million yen each Friday as a penalty for compensating favored clients for transaction losses, TSE official said.

The officials said Nomura Securities Co., one of the four, was charged an additional 50 million yen for aggressively promoting the stock of Tokyu Corp.

The Japan Security Dealers Association is expected to follow suit next week.

Although the TSE raised the maximum amount of fine to 100 million yen in September, Minoru Nagaoka, president of the TSE, said the additional fine to Nomura was kept at 50 million yen because evidence of stock manipulation was not found.

In respect to the penalty for the compensation, Nagaoka said the former upper limit of 5 million yen was applied as the reimbursements were believed to have been made before the new limit came into effect.

Referring to the penalties announced earlier by the Finance Ministry on the "Big-Four" brokerage houses, Nagaoka said he felt the Nomura's punishment is "severe" but hoped that the securities firms will make a new start and try to recover their reputation among investors.

Nomura, aside from being barred from bidding on government bonds until the end of November, was suspended from doing business for a maximum six weeks at its domestic offices starting October 15.

Household Savings Record First Fall Since 1963

OW1110115891 Tokyo KYODO in English 1104 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—The average Japanese household had 11.65 million yen in savings this summer, down 1.4 percent from a year earlier, according to a study published by a nonprofit organization Friday.

It was the first fall in the average since the Central Council for Savings Information started annual surveys on savings in 1963.

The council, based at the Bank of Japan, attributed the fall mostly to a sharp decrease in the value of securities held by personal investors following the 1990 stock market crash and to active consumer spending.

Bank of Japan officials said the fall stemmed in part from the collapse of the "bubble economy" and is unlikely to lead to a basic change in Japan's high savings rate.

The survey, taken from late June to early July, showed the proportion of households planning active investment in stocks fell to only 2.5 percent from 11.2 percent a year earlier.

The proportion of households giving priority to deposits and savings, meanwhile, rose to 73.3 percent from 59.9 percent.

The council said the stock market crash caused the changes in the household savings plans.

The national survey was based on questionnaires sent to 6,000 households, with 66.3 percent of them responding.

It also showed household deposits and savings averaged 5.95 million yen, up 8.4 percent from a year earlier, thanks to the lowering of the minimum purchase unit for money market certificates (MMCs) to 500,000 yen amid the growing moves for financial deregulation.

In contrast, savings in the form of insurance and investment in stocks decreased, causing the savings average to fall.

The survey also showed the average household had annual income of 5.39 million yen and spent 86.6 percent of that for consumption to record a savings rate of 13.4 percent.

Survey Reveals Drop in Business Confidence Index

OW1110113291 Tokyo KYODO in English 1030 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Smaller companies became less upbeat about their business in the third quarter of 1991, claiming lofty interest rates are stifling their profits, according to a government survey released Friday.

The survey, compiled by the Small and Medium Enterprise Agency affiliated with the Ministry of International Trade and Industry (MITI), found the business confidence index for the July-September quarter to be minus 0.2, sinking below zero for the first time in 15 quarters.

The index is the percentage of small companies which are optimistic about their business subtracted by the proportion of those feeling their business is slowing.

The indicator stood at 5.1 in the previous three months.

The findings are based on an inquiry conducted in early September on 18,960 small and mid-scale firms, of which 17,149 companies responded.

Agency officials said the agency will press for an early easing of credit to make life easier for smaller companies.

They said a series of business failures in real estate, plus slumping steel, nonferrous, and wood sectors pushed the indicator into the minus column.

By sector, pessimistic manufacturers overwhelmed optimistic ones for the first time in 16 quarters, while more than half of retailers were also downbeat about their business outlook.

The index for all-industry sales was 11.1, down 7.7 from the April-June quarter.

The third-quarter pretax profit index, at minus 3.7, compared with 1.2 for the prior three months.

The ratio of companies seeing it as difficult to obtain funds more than offset those believing it easy, with a margin of 3.0 percent, according to the survey.

The business confidence index for the current quarter was forecast as minus 1.6, a reflection of persistent worries among smaller firms about their business future.

Labor Ministry Releases Survey on Female Workers

OW1110100391 Tokyo KYODO in English 0852 GMT 11 Oct 91

[Text] Tokyo, Oct. 11 KYODO—Two in three Japanese female workers in private companies have no wish to be promoted, according to a survey released Friday by the Labor Ministry.

The ministry cited 69.9 percent of surveyed women replying they do not want to be promoted. Some 29 percent hoped for promotion, while 1.1 percent did not answer either way.

The survey, conducted last February, covered about 12,000 female workers in some 4,000 offices with a workforce of 30 or more.

This is the first time the ministry has conducted such a survey.

The Equal Employment Opportunity Law, enacted in April 1986, stipulates women have equal opportunity with male counterparts in obtaining company positions, promotion, and wage rises.

Of those not wanting promotion, 37.7 percent were quoted as saying they did not want the added responsibility of a higher position.

Those satisfied with their current positions accounted for 35.9 percent, while 25.1 percent thought promotion would make it more difficult to do their jobs and housework.

Among those wanting promotion, 21.9 percent were convinced they would be, 56.4 percent did not expect it to happen, and the rest did not answer the question.

On company attitudes toward female workers, 31.4 percent said things had changed since the enactment of the equal opportunity law in regard to obtaining positions, promotion, childcare, and holidays, while 39.3 percent said things had not improved.

Concerning job satisfaction, 77.5 percent said their offices had entrusted them with responsible positions, while 9.3 percent said the opposite.

On sexual harassment by male colleagues, 18.6 percent reported such an experience, 63.5 percent of whom said their bodies had been touched.

Mongolia

Source Says French Official's Visit 'Postponed'

HK1010112691 Hong Kong AFP in English 1100 GMT 10 Oct 91

[Text] Beijing, Oct 10 (AFP)—A visit by French Secretary of State for Foreign Affairs Alain Vivien to Mongolia and China has been postponed without explanation, well-informed sources in Ulaanbaatar and Beijing said Thursday.

Vivien should have arrived in Ulaanbaatar on Wednesday for a four-day visit to Mongolia. This would have been the first visit by a member of the French government since multi-party politics and economic liberalization were established in the former Soviet satellite nearly 18 months ago.

"The visit has not been cancelled but postponed," said one of the sources, speaking by telephone from Ulaanbaatar.

No explanation has been given to Mongolia's leaders, who were only informed of the postponement Wednesday evening, added the source.

No explanation has been given to Beijing either, where Vivien was expected to arrive Monday for a six-day visit.

"Mr. Vivien's trip has been postponed to a date that will be determined shortly because of unexpected engagements," said a well-informed source in Beijing.

Vivien was due to have official talks in the Chinese capital Monday and then travel Tuesday to the southern city of Guangzhou to open a French consulate.

Wednesday he was to leave for northwest China's Xinjiang Region, which has a majority population of Muslims and borders on several Soviet central Asian republics. He was scheduled to leave China Saturday.

The French embassy in Beijing had no comment to make on the postponement of the visit. France has no embassy in Ulaanbaatar, where it is represented through its ambassador in Moscow.

UNDP Meeting on Aid to Mongolia Ends 10 Oct

OW1010175091 Beijing XINHUA in English 1617 GMT 10 Oct 91

[Text] Ulaanbaatar, October 10 (XINHUA)—The two-day international meeting on aid to Mongolia ended here today.

Sponsored by the United Nations Development Program, the meeting discussed ways to help Mongolia develop energy production, transportation, communication, health and education with the 150 million U.S. dollars promised in the Tokyo meeting in September.

Participants also decided to hold another meeting next spring to review the implementation of the aid program.

Representatives from 25 countries and international organizations attended the meeting.

Radio, TV Delegation Meets PRC's Li Ruihuan

OW1110062191 Beijing XINHUA in English 0603 GMT 11 Oct 91

[Text] Beijing, October 11 (XINHUA)—Li Ruihuan, a member of the Standing Committee member of the

Political Bureau of the Chinese Communist Party (CPC) Central Committee, met here today with a radio and TV delegation from Mongolia.

The Mongolian delegation is led by Altayn Dzorig, director-general of the Mongolia radio and television.

During the meeting, Li said that radio and television coverage in China has enjoyed rapid development during the past decade of reform and opening to the outside world. However, Li said that new problems have surfaced in the process.

On the one hand, according to Li, Chinese radio and TV broadcasters need to improve their work through practice and by summing up past experiences. On the other hand, they should strengthen exchanges and cooperation with their counterparts in foreign countries, in order to further improve radio and television coverage.

Li said that the years of contact between the Chinese and Mongolian radio and TV circles can be characterized as highly cooperative. Li expressed his belief that the current visit by the delegation will play a positive role in promoting friendly cooperation and mutual understanding and friendship between the two peoples.

The group, guests of China's Ministry of Radio, Film and Television, represents the first high-level delegation from the Mongolian radio and TV circles to visit the Chinese capital in recent years.

During the five-day visit, which began on October 7, the delegation signed an agreement with the ministry for Sino-Mongolian radio and TV cooperation for the period from 1991 to 1992.

Altayn called the signing of the agreement an important result of the group's visit. He said that Mongolian-Chinese ties have experienced rapid growth in all aspects since Chinese President Yang Shangkun's recent visit to Mongolia.

The Mongolian radio and TV circles are willing to strengthen cooperation with China. And thus make contributions to the friendly relations between the two countries, he added.

North Korea

Kim Il-song Tours PRC's Jiangsu Province

Visits Memorial Hall in Nanjing

SK1010140291 Pyongyang Korean Central Broadcasting Network in Korean 1200 GMT 10 Oct 91

[Text] The great leader Comrade Kim Il-song, general secretary of the Workers' Party of Korea [WPK] Central Committee and president of the DPRK, and Comrade Jiang Zemin, general secretary of the CPC Central Committee, looked around Meiyuan Xincun Memorial Hall in Nanjing on the afternoon of 10 October.

Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau and secretary of the WPK Central Committee; Comrade Kim Yong-sun, member and secretary of the WPK Central Committee; Comrade Chu Chang-chun, member of the WPK Central Committee and DPRK ambassador extraordinary and plenipotentiary to China; and Comrade Kang Sok-chu, alternate member of the WPK Central Committee and first vice foreign minister; and other delegation members went to the memorial hall with him.

Accompanying him were Comrade Wu Xueqian, Politburo member of the CPC Central Committee and vice premier of the State Council; Comrade Wen Jiabao, alternate member of the Secretariat and director of the General Office of the CPC Central Committee; Comrade Zhu Liang, member and head of the International Liaison Department of the CPC Central Committee; Comrade Shen Daren, member of the CPC Central Committee and secretary of Jiangsu provincial party committee; Comrade Chen Hanyou, deputy secretary of Jiangsu provincial party committee and governor of the Jiangsu Provincial People's Government; Comrade Xu Dunxin, vice foreign minister; and Comrade Zheng Yi, PRC ambassador extraordinary and plenipotentiary to the DPRK.

The great leader Comrade Kim Il-song was greeted by Comrade (Gu Hao), secretary of the Nanjing city party committee; Comrade Wang Rongbing, mayor of the Nanjing City People's Government; and responsible functionaries of the Meiyuan Xincun memorial hall.

Meiyuan Xincun memorial hall, in which the Communist Party delegation headed by Comrade Zhou Enlai lived while the CPC was negotiating with the Kuomintang in 1946-47, is a building of historical significance to the Chinese Revolution.

The great leader Comrade Kim Il-song, after laying a wreath before Comrade Zhou Enlai's statue in the memorial hall, observed a moment of silence.

Written on the ribbon tying the wreath is: Kim IL-song, in memory of late Comrade Zhou Enlai.

After hearing an explanation from the director of the memorial hall, the great leader Comrade Kim Il-song looked around the Meiyuan Xincun memorial hall where the history of the CPC's struggle for a united front was on display.

After ending the tour, the great leader Comrade Kim Il-song wrote: Tribute to Comrade Zhou Enlai who greatly contributed to implementing the CPC policy of a united front. [Signed] Kim IL- song. [Dated] 10 October 1991.

The great leader Comrade Kim Il-song received a gift from the memorial hall and left one in return.

A large number of working people, youth, and students in gorgeous holiday costumes enthusiastically welcomed the great leader Comrade Kim Il-song in front of the memorial hall, waving flags of the two countries and flower bouquets.

Honored at Nanjing Banquet

SK1010152391 Pyongyang Korean Central Broadcasting Network in Korean 1400 GMT 10 Oct 91

[Text] To welcome the visit to Jiangsu Province by the great leader Comrade Kim Il-song, general secretary of the Workers Party of Korea [WPK] Central Committee and president of the DPRK, the Jiangsu Provincial CPC Committee and the Jiangsu Provincial People's Government arranged a splendid banquet at (Jinrung) Hotel in Nanjing City on the evening of 10 October.

Comrade Kim Il-song, the great leader of our party and people, was invited to the banquet.

When the great leader Comrade Kim Il-song appeared in the banquet hall with Comrade Jiang Zemin, general secretary of the CPC Central Committee, the participants enthusiastically welcomed him with thundering applause.

Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau and secretary of the WPK Central Committee; Comrade Kim Yong-sun, member and secretary of the WPK Central Committee; Comrade Chu Chang-chun, member of the WPK Central Committee and DPRK ambassador extraordinary and plenipotentiary to the PRC; and Comrade Kang Sok-chu, alternate member of the WPK Central Committee and first vice foreign minister; and other suite members were invited to the banquet.

Comrade Wu Xueqian, Politburo member of the CPC Central Committee and vice premier of the State Council; Comrade Wen Jiabao, alternate member of the Secretariat and director of the General Office of the CPC Central Committee; Comrade Zhu Liang, member and head of the International Liaison Department of the CPC Central Committee; Comrade Shen Daren, member of the CPC Central Committee and secretary of the Jiangsu provincial party committee; Comrade Chen Hanyou, deputy secretary of the Jiangsu provincial party committee and governor of the Jiangsu Provincial People's Government; Comrade (Han Taishin), chairman of the Jiangsu Provincial People's Congress Standing Committee; Comrade (Gao Hu), commander of the Chinese People's Liberation Army [PLA] Jiangsu Provincial Command; Comrade (She Wuxio), commander of the PLA Nanjing Military District; Comrades Du Ping, (Xing Quzhi), and (Kong Wexong), members of the Advisory Committee of the Jiangsu provincial party committee; Comrade Xu Dunxin, vice foreign minister; Comrade Shi Xiyu, vice minister of railways; Comrade Zheng Yi, PRC ambassador extraordinary and plenipotentiary to the DPRK; Comrade Gu Hao, secretary of the Nanjing city party committee; Comrade Wang Rongbing, mayor of the Nanjing City People's Government; and responsible functionaries of the party, power organs, and army also attended.

The banquet continued in a warm and amiable atmosphere from start to finish.

After the banquet, the great leader Comrade Kim Il-song and Comrade Jiang Zemin looked down on Nanjing City's night scenes from the observation platform at the top of the (Jinrung) Hotel.

Inspects Nanjing Factory

SK1110074491 Pyongyang Korean Central Broadcasting Network in Korean 0600 GMT 11 Oct 91

[Text] Together with Comrade Jiang Zemin, general secretary of the CPC Central Committee, the great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and president of the DPRK, looked round Huafei color picture tube limited corporation in Nanjing City on the morning of 11 October.

Looking round the corporation with him were Comrade Yi Chong-ok, member of the Political Bureau of the WPK Central Committee and vice president; Comrade Han Song-yong, member of the Political Bureau and secretary of the WPK Central Committee; Comrade Kim Yong-sun, member and secretary of the WPK Central Committee; Comrade Chu Chang-chun, member of the WPK Central Committee and DPRK ambassador extraordinary and plenipotentiary to the PRC; and Comrade Kang Sok- chu, alternate member of the WPK Central Committee and first vice foreign minister; and other delegation members.

Accompanying him were Comrade Wu Xueqian, member of the Politburo of the CPC Central Committee and vice premier of the State Council; Comrade Wen Jiabao, alternate member of the Secretariat and director of the General Office of the CPC Central Committee; Comrade Zhu Liang, member and head of the International Liaison Department of the CPC Central Committee; Comrade Shen Daren, member of the CPC Central Committee and secretary of the Jiangsu Provincial party Committee; Comrade Chen Hanyou, deputy secretary of the Jiangsu Provincial party committee and governor of the Jiangsu Provincial People's Government; Comrade Xu Dunxin, vice foreign minister; and Comrade Zheng Yi, PRC ambassador extraordinary and plenipotentiary to the DPRK.

The corporation was adorned all over with welcome signs to welcome the great leader Comrade Kim Il-song.

Employees of the company, with flowers and flags in their hands, were lined up in rows in the compound of the company where tricolored flags were fluttering.

When the car carrying the great leader Comrade Kim Il-song and Comrade Jiang Zemin arrived at the company, the crowd enthusiastically welcomed the great leader, shouting cheers,"We warmly welcome you, President Kim Il-song," "Welcome," "Welcome," and "Passionate welcome."

The great leader Comrade Kim Il-song was greeted by the responsible functionaries of the company.

The great leader Comrade Kim Il-song, hearing an explanation from the company's general manager, looked round the production process and encouraged and cheered the employees who are accelerating the socialist construction by their labor and struggle.

When the great leader Comrade Kim Il-song left the company after looking around it, the company's employees warmly saw him off.

Inspects Textile Plant in Yangzhou

SK1110153291 Pyongyang KCNA in English 1511 GMT 11 Oct 91

[Text] Yangzhou October 11 (KCNA)—Comrade Kim Il-song, general secretary of the Central Committee [C.C.] of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, in company with Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, visited the Yizheng Chemical Fibre Industrial Company in Yangzhou city this afternoon.

Yi Chong-ok, Politburo member of the C.C. the WPK and vice- president, and suite members also visited the company.

President Kim Il-song was also accompanied by Wu Xueqian, Politburo member of the C.C. the CPC and vice-premier of the State Council, officials concerned of China and Zheng Yi, Chinese ambassador to Korea.

The company was filled with great emotion and joy and was in a festive attire to greet him.

When the car carrying President Kim Il-song and Comrade Jiang Zemin arrived at the company, cheers of "Warm welcome to President Kim Il-song!" and "Welcome, welcome, warm welcome!" burst forth and waves of flowers rolled.

After hearing the history of the company, President Kim Il-song went round the production processes.

He received warm welcome from crowds of people along the long route from the company to Yangzhou City.

Commentaries Praise Close Sino-Korean Friendship

Called 'Invincible,' 'Invariable'

SK1110015491 Pyongyang Korean Central Broadcasting Network in Korean 0000 GMT 9 Oct 91

[Unattributed talk: "Invincible Korea-China Relations That Cannot Be Broken by Any Force"]

[Text] The great leader Comrade Kim Il-song has clarified: Korean-Chinese friendship is an invincible friendship that cannot be broken by any force.

Korea and China are intimate neighbors linked by mountains and rivers. The two countries' people are intimate comrades-in-arms who have shared their destiny on the single road of arduous struggle for national liberation, class liberation, the socialist revolution, and socialist construction. They are also genuine class brothers and reliable allies.

The people of the two countries of Korea and China have waged the sacred common struggle in firm unity, crossing together hills of trials and undergoing decisive battles of blood. The chronicle of Korean-Chinese relations, which have long and deep historic roots, is filled with numerous impressive facts and anecdotes.

Our two countries' people fought together against imperialism in the past. Also, they have fought together against modern imperialism. They fought together in the territory of China. They also fought together in the territory of Korea. They fought together before they gained sovereignty. They are fighting together even today when they have gained sovereignty. The people of the two countries of Korea and China have become genuine class brothers and reliable revolutionary comrades-in-arms through their protracted joint struggle.

The relations between the people of the two countries of Korea and China forged in the long days of history have been deepened into the invincible ones that cannot be broken by any force. The invincible Korean-Chinese friendship that cannot be broken by any force is based on the comradely fraternity and intimate relations between the two countries' party and state leaders.

Leaders of the two countries of Korea and China have frequently visited and contacted each other for a long time to exchange their opinions without being restricted to diplomatic practices and rules. Thus, they have deepened their feelings of friendship and trust. This has already become a tradition. Together with Chinese party and state leaders, the great leader Comrade Kim Il-song sowed the seed of Korean-Chinese friendship and has fostered its sprout and cultivated it, together with them.

In recent years, the mutual visits between the two countries' party and state leaders have become more frequent. Through this course, leaders of the two countries have further deepened their fraternity and trust.

The great leader visited China in 1982 and 1984. Following this, he visited China in 1987 and 1989. Thus, he further deepened close relations between the people of the two countries. The dear leader Comrade Kim Chong-il's visit to China in 1983 was an epochal occasion in providing a new milestone in the chronicle of Korean-Chinese friendship. In addition, in recent years party and state leaders of China visited our countries on many occasions.

On the days of these mutual visits, party and state leaders of the two countries have provided a firm guarantee for deepening fraternal friendship and comradely obligation and for developing the Korean-Chinese friendship on a new high stage.

Today, the Korean-Chinese friendship is flowering and developing amid the deep concern of the great leader Comrade Kim Il-song, the dear leader Comrade Kim Chong-il, and Chinese party and state leaders, including Comrade Jiang Zemin and Comrade Deng Xiaoping.

Comrade Jiang Zemin, general secretary of the CPC Central Committee, visited our country last year. Following this, Premier Li Peng visited our country last May. This vividly shows the Chinese people's will to further consolidate and develop the Korean-Chinese friendship.

The fact that the great leader is visiting China this time constitutes a historic event demonstrating again to the world that the invincible friendship of the people of the two countries of Korea and China, who are firmly defending the banner of socialism, cannot be broken by any force. This also constitutes an epochal event that has recorded a new chapter in the chronicle of Korean-Chinese friendship, which is further strengthening and developing with each passing day.

The Korean-Chinese friendship has been deepened into a more invincible one because of the relations of comradely fraternity between the two countries' party and state leaders and because of their revolutionary obligation. The Korean-Chinese friendship—which has been firmly deepened on the basis of the intimate relations between the two countries' leaders and their revolutionary obligation—is an invicible one that cannot be broken by any force.

The people of the two countries of Korea and China have the inseparable, common destiny of advancing together, shoulder to shoulder, standing on the same road of the joint struggle against imperialism, for peace in Asia and the rest of the world, and for the victory of the socialist, the communist cause not only today but also in the future, too. The revolutionary cause of the two countries of Korea and China is closely and inseparably linked, and the destiny of the people of the two countries, as well, is linked into one.

The revolutionary cause of the two countries of Korea and China is closely and inseparably linked, and the destiny of the people of the two countries, as well, is linked into one. It is our people's invariable will to further develop the Korean-Chinese friendship generation after generation.

Our people will, in the future, too, invariably fight together with the fraternal Chinese people. The friendship between our people and the fraternal Chinese people, who have fought for the common cause, sacrificing blood and life, will be invariable forever under any difficult circumstances.

'Immortal' Friendship Lauded

SK1110012791 Pyongyang Korean Central Broadcasting Network in Korean 0003 GMT 8 Oct 91

[Unattributed talk: "Great Friendship Has Been Consolidated and Developed Generation After Generation"]

[Text] The DPRK and China are close neighbors who are linked to each other with common mountains and rivers. The two peoples of the DPRK and China linked their destinies into one a long time ago and shared their destiny in the struggle against common enemies. They deepened comradely friendship by treasuring the sense of obligation as comrades-in-arms.

The peoples of our two countries fought together against the Japanese imperialists and against the U.S. imperialists. They closely supported and cooperated with each other in the struggle for socialism.

This clearly shows that the friendship between the peoples of the DPRK and China is the sincere, vigorous, and great friendship between revolutionary comrades who share a destiny. The DPRK- Chinese friendship was forged with blood amid flames of arduous revolutionary struggle and is based on the common aspiration and desire of the two countries' people. The DPRK-Chinese friendship, which has overcome various trials of history, constantly displayed great vitality in socialist construction in the two countries and in safeguarding the world's peace and security.

One cannot think of the great vitality of the DPRK-Chinese friendship without genuine comradely friendship, deep trust, and the firm revolutionary sense of obligation between the two countries' party and state leaders.

The great leader Comrade Kim Il-song and Comrade Mao Zedong, the great leader of the Chinese people, respected Comrade Zhou Enlai, Comrade Deng Xiaoping, and other senior Chinese leaders forged amicable relations from an early date based on comradely friendship and a revolutionary sense of obligation. Thus, they realized an excellent tradition of DPRK-Chinese friendship. The excellent tradition of DPRK-Chinese friendship has bloomed as a beautiful flower over generations.

The great leader Comrade Kim Il-song has taught: We are satisfied with the fact that the two countries' relations are developing on a new higher stage in recent years while registering a brilliant chapter in the glorious history of DPRK-Chinese friendship, and that a firm foundation, on which this friendship can bloom forever generation after generation, has been realized.

Mutual visits and meetings between the DPRK and Chinese party and state leaders, which have become a tradition in recent years, became more frequent, and the DPRK-Chinese friendship is developing on a new higher stage.

By visiting China, dear leader Comrade Kim Chong-il opened a bright prospect for strengthening and developing the DPRK-Chinese friendship generation after generation. By visiting China, dear leader Comrade Kim Chong-il laid an iron-clad foundation, enabling the DPRK-Chinese friendship to bloom generation after generation forever. Thus, the DPRK-China friendship has been consolidated as indomitable and is ever-victorious today.

The two peoples of the DPRK and China frequently discuss issues of common interest while mutually encouraging and inspiring their countries' socialist construction. They act in common according to the demand of the situation, as necessary.

Under the correct leadership of the CPC with Comrade Jiang Zemin as its core, the Chinese people today are consolidating the political phase of stability and unity and are constantly taking a great stride in the struggle to build socialism with Chinese characteristics by maintaining the four cardinal principles and by deepening reform and opening.

The Chinese people, opposing the imperialists' reactionary peacefu' evolution strategy and bourgeois liberalization, are registering great success in many domains of the national economy. They are developing science and technology and consolidating the nation's defense capability.

The Chinese people are making active efforts to reunify the fatherland based on the principle of one country and two systems. Our people regard all achievements made by the Chinese people as our own.

The Chinese party, government, and people, who treasure the revolutionary sense of obligation, invariably support and encourage our people's socialist construction and struggle for the independent and peaceful reunification of the nation.

The two peoples of the DPRK and China, who are advancing along the road of socialism, have the common obligation to further expand and develop their traditional friendly relations and to fight to defend peace in Asia and in the world by crushing the imperialists' peaceful evolution policy. This corresponds to the interests of the two countries' people and to the socialist cause and is a very good deed.

The DPRK-Chinese friendship is a precious friendship that developed on the basis of the special amicable relations between the two countries' party and state leaders. This friendship is constantly developing generation after generation.

Mutual visits and meetings held on many occasions in recent years between the two countries' party and state leaders served as an important occasion for further strengthening and developing the DPRK-Chinese friendship on a new higher stage. The current visit to China by the great leader Comrade Kim Il-song is an epoch-making event with historic significance in strengthening the traditional DPRK-Chinese friendship and in winning the victory of the socialist cause.

The DPRK-Chinese friendship is greatly contributing to accelerating the two countries' socialist construction and to guaranteeing peace and security in Asia and in the world.

Our people will make all efforts to inherit and develop the great DPRK-Chinese friendship generation after generation and will always advance shoulder to shoulder with the Chinese people on the road for socialism's victory.

The DPRK-Chinese friendship, which was forged with blood through the struggle to achieve the common goals and ideals and which has been consolidated amid various trials, will be forever and immortal.

Kye Ung-tae Meets PRC Armed Police Delegation

SK1110153591 Pyongyang KCNA in English
1523 GMT 11 Oct 91

[Text] Pyongyang October 11 (KCNA)—Kye Ung-tae, Politburo member and secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly conversation with the delegation of the Chinese public security armed police led by Wang Wenli, deputy commander of the Chinese People's Armed Police Force, and leading officials and artistes of the song and dance ensemble of the force led by Feng Yanling, vice-director of its political department.

Present on the occasion were Chang Chol, vice-premier and minister of culture and art, Pak Hak-yim, minister of public security, and other officials concerned and Chiang Zhengcai, charge d'affaires ad interim of the Chinese Embassy here.

Withdrawal of All U.S. Nuclear Weapons Urged

SK1110045691 Pyongyang Korean Central
Broadcasting Network in Korean 0121 GMT 8 Oct 91

[NODONG SINMUN 8 October commentator's article: "Nuclear Threat Must Be Removed"]

[Text] Today the important issue for global peace is to realize nuclear disarmament.

On 27 September, U.S. President Bush stated that the United States would take measures to unilaterally withdraw short-range nuclear weapons from ground and sea bases and fundamentally remove them.

We have consistently maintained that the testing and production of nuclear weapons should be banned, that existing nuclear weapons should be reduced, and that all nuclear weapons should be abolished in the end.

From this standpoint, we welcomed the measures to remove short- range nuclear weapons that the United States decided to take this time, and we expressed the hope that these measures may be taken at an early date.

In viewing Bush's remarks, we recognize that the United States should also deservedly withdraw nuclear weapons from South Korea. At the same time when Bush's proposal was announced, a U.S. military official said that the nuclear weapons deployed in South Korea were included in those nuclear weapons to be withdrawn by the United States.

If the United States really withdraws its nuclear weapons as it has promised and removes its nuclear threat to us, it would mean a big stride forward in opening the way for us to sign the nuclear safeguards accord and realizing the denuclearization of the Korean peninsula.

It is indeed noteworthy that the United States, although belatedly, has admitted of its own accord the existence of its nuclear weapons in South Korea and recognized the necessity of their withdrawal from there, no matter what its motives were in intending to reduce nuclear weapons.

Up to now, the United States and the South Korean authorities said that they cannot confirm the existence of nuclear weapons in South Korea, and insisted that the issue of our signing the nuclear safeguards accord and the issue of withdrawing U.S. nuclear weapons from South Korea are separate issues. One should say that such insistence is ruined, since the United States announced its measures for reducing nuclear weapons. Thus, the people of the world came to precisely realize that the issue of our signing the nuclear safeguards accord and the issue of withdrawing U.S. nuclear weapons from South Korea are inevitably linked to each other.

This clearly proves how just is our allegation that the U.S. nuclear weapons existing in South Korea were a source of disaster constantly threatening our people's right to existence, that in order for us to resolve the issue of the nuclear safeguards accord, the U.S. nuclear weapons in South Korea must be withdrawn and nuclear threat to us must be removed, and that if nuclear inspection is to be conducted, it should be conducted simultaneously on both the North and the South.

The United States itself admitted the existence of nuclear weapons in South Korea and recognized the necessity of their withdrawal. This also clearly proves how correct and how far-sighted is our allegation that the issue of our signing the nuclear safeguards accord can be solved only when the U.S. nuclear weapons are withdrawn from South Korea.

Originally, when we joined the Nonproliferation Treaty, we aimed at removing the nuclear threat to our country and turning the Korean peninsula into a nuclear-free, peace zone. According to the Nuclear Nonproliferation Treaty, nuclear weapon states have the obligation not to threaten with nuclear weapons the non-nuclear states which joined the treaty. However, the U.S. nuclear threat to us increased day by day after we joined the Nuclear Nonproliferation Treaty. This is shown by the Team Spirit military exercise, which the United States and the South Korean authorities have staged each year by enlarging its scale. It is true that our country is the only non-nuclear member state in the world of the Nuclear Non-Proliferation Treaty that is exposed to direct nuclear threat from a nuclear-weapon state.

Due to the direct nuclear threat from the United States, we are not in a position to solve the issue of the nuclear safeguards accord. This being the case, the issue of our country's signing the nuclear safeguards accord should be examined by taking such special circumstances into account.

This notwithstanding, the United States, Japan, and the South Korean authorities have not even admitted the deployment of U.S. nuclear weapons in South Korea. They took no notice of acts of violating the treaty by a nuclear weapon state when it inflicted a nuclear threat on us. They unilaterally demanded that we sign the nuclear safeguards accord.

At the September meeting of the Board of Governors of the International Atomic Energy Agency, a so-called a resolution was adopted at Japan's initiative, instigated by the United States, to put international pressure on us to sign the nuclear safeguards accord.

Our country is an independent state and treasures independence more preciously than anything else and highly considers it foremost.

We resolutely reject any attempt to infringe on our country's sovereignty or to interfere in our internal affairs through international pressure. We clearly stated that under the condition in which unjust international pressure is applied, we will not sign any accord and that only when such pressure is removed will we sincerely present ourselves for resolution of the issue of the nuclear safeguards accord. The attempt to apply international pressure on us with this issue has totally ended in failure.

Now it has become clear who has maintained the correct position on the nuclear issue before the people of the world and who has carried out erroneous activities for impure political aims.

The United States and its satellite states still raise our signing of the nuclear safeguards accord as a precondition for improving their relations with us. This is unreasonable and unfeasible talk.

It is not an accident that after the United States announced its plan to reduce nuclear weapons, the South Korean puppets felt so upset and found themselves on pins and needles. Their false statement that there are no nuclear weapons in South Korea can no longer be accepted by anyone. It has become as clear as fire that the source of war on the Korean peninsula is in South Korea and that the nuclear threat is within South Korea itself, not from nonexistent nuclear facilities in the North.

It is known to everyone that the sycophantic authorities in South Korea have allowed the U.S. nuclear weapons to be deployed in South Korea and kept them as carefully as though they were their ancestral tablets, remaining indifferent to the holocaust into which the U.S. nuclear weapons might plunge the whole nation.

It is not strange, therefore, that when their master, the United States, abruptly declared that it would withdraw the nuclear weapons without prior consultation with them, the South Korean authorities should feel upset and doubt the protection by the U.S. nuclear umbrella.

A few days before the United States published this measure, the South Korean authorities, unaware of the development of the situation, dared to say that they would mount a military attack on our fictitious nuclear facilities, only to reveal their treacherous and bellicose nature.

Their outburst has become an object of ridicule among the world people today when the United States has committed itself to withdrawing its nuclear weapons from South Korea. The South Korean authorities should precisely realize that they would gain nothing, even if they continuously commit reckless flunkeyist acts.

The South Korean authorities should not entreat the United States to keep nuclear weapons in South Korea but must admit their never- to-be-condoned antinational crimes concerning the problem of nuclear weapons and join in the efforts to denuclearize the Korean peninsula before it is too late.

Only when peace is guaranteed on the Korean peninsula, where tension and the danger of war are greatly created, can peace in Asia and in the world be ensured. This is an important, mutually, and closely related issue.

The United States must begin the withdrawal of nuclear weapons on the Korean peninsula, which is fraught with the greatest danger of nuclear war, before anywhere else.

In case the United States withdraws its nuclear weapons from South Korea as it has promised, it must do it comprehensively and totally in all spheres of ground, sea, and sky, and not partially.

The U.S. nuclear weapons deployed in South Korea did not come by crossing the ocean by themselves but are being accompanied by armed forces. If the United States withdraws the nuclear weapons from South Korea according to the demand of the times, it should also pull out its armed forces.

The sooner the U.S. troops pull out from South Korea, the better. The world will now closely watch how the U.S. proposal for reducing nuclear weapons will be implemented in South Korea in actuality.

When withdrawal of U.S. nuclear weapons and U.S. troops from South Korea is realized at an early date, when the Korean peninsula turns into a nuclear-free zone, and when our country is reunified based on a confederal system, peace in Korea and Asia will be firmly guaranteed.

U.S., South Stage Military Exercises 9 Oct

SK1110064791 Pyongyang KCNA in English 0603 GMT 11 Oct 91

["Military Exercises Against North"—KCNA headline]

[Text] Pyongyang October 11 (KCNA)—The U.S. Pacific Air Force and Navy commands Wednesday staged military exercises of different forms aimed at northward invasion in the skies above Yechon, Kangung and Yoju of South Korea with the mobilization of formations of fighter-bombers and assault planes based in Japan proper and the Pacific, according to military sources.

Some 300 fighter planes were mobilized.

On the same day, the South Korean puppets staged an operational exercise against the North with the mobilisation of infantrymen, guns, tanks, armoured vehicles and military planes along the Military Demarcation Line in the central sector of the front.

A total of 1,360 military planes were mobilized in the military exercises in the skies above South Korea on October 8 and 9.

Economic Protocol Signed With Pakistan 5 Oct

SK1110064291 Pyongyang KCNA in English 0553 GMT 11 Oct 91

[Text] Pyongyang October 11 (KCNA)—A protocol of the 5th meeting of the Intergovernmental Economic Joint Committee of the DPRK and the Islamic Republic of Pakistan was signed in Islamabad on October 5.

It was signed on our side by Vice-Premier and Chairman of the External Economy Commission Kim Tal-hyon who is chairman of the Korea-Pakistan Economic Joint Committee and on the opposite side by Minister of Finance and Economy Sartaj Aziz who is chairman of the Pakistan-Korea Economic Joint Committee.

SKNDF Greets Kim Il-song on Party Anniversary

SK1110104491 Pyongyang Korean Central Broadcasting Network in Korean 0300 GMT 10 Oct 91

["Congratulatory message" from the Central Committee of South Korean National Democratic Front (SKNDF) to Kim Il-song on 46th anniversary of the founding of the Workers Party of Korea on 10 October—read by announcer]

[Text] To the great leader Comrade Kim Il-song, the founder of the chuche party and the sun of the nation:

On the road of the sacred march on which the independence, democracy, and reunification movement is expanding and developing under the rays of brilliant chuche, the South Korean National Democratic Front [SKNDF] Central Committee greets the 46th anniversary of the founding of the Workers Party of Korea [WPK]. The SKNDF Central Committee respectfully extends greatest honor and warmest congratulations to the great leader Comrade Kim Il-song, the founder of the chuche party and the sun of the nation, along with unanimous aspirations and respect from the vanguard fighters and the patriotic people from all walks of life in the South.

The WPK is vigorously advancing toward accomplishing the socialist cause—the anti-imperialist cause—overflowing with faith in certain victory and with optimism, even in this complex international situation. From the WPK's heroic spirit we obtained endless strength and courage. We recall with deep emotion the chuche party's brilliant course by looking solemnly at the sacred portrait of the great leader, who is leading the party and the revolution along the wide road of invincibility.

The founding of the WPK was a solemn birth of the chuche-type revolutionary party, which took strong root in the glorious Down- With-Imperialism Union [DIU]. It was a historical event causing a basic turn in the development of the chuche-type revolution which was pioneered in Mt. Paektu.

The 46-year history of the WPK, which loyally upheld the great leader's leadership, is proud. Substantive results have been achieved by brilliantly realizing the leader's unique idea and theory for building the chuche party. Its history is the course of victory and honor in which the creation of the new world was possible under the banner of chuche and in which the golden age of great national prosperity and development unfolded.

During a long and arduous yet rewarding struggle, the WPK has strengthened and developed into a refined political staff office. It victoriously pioneered the chuche cause by courageously overcoming repeated difficulties and trials. It has become a mature party, which has made great achievements and gained rich experiences in the revolution and construction, and an indomitable party that forged blood ties with the masses and enjoys their absolute support and trust.

In particular, by holding dear leader Comrade Kim Chong-il in high esteem as another outstanding leader and by advancing under the wise leadership of the comrade leader, the WPK has won the greatest victory: completely and flawlessly settling the issue of inheriting the cause of the leader for the first time in the history of the communist movement.

With the respected leader and dear comrade leader as their center, the entire party and all of the people are firmly united as a thoroughgoing social and political organism. This is another brilliant monumental achievement illuminating the era of the Workers Party.

Thanks to this indomitable strength of the singlehearted unity in which the leader, the party and the masses formed one organic body, the WPK accomplished the democratic revolution and socialist revolution in the shortest time, and with excellence, and developed and turned the backward colonial semifeudal society into a most advanced, unique socialist society, thus effecting a great upsurge. By uniquely advancing the unexplored socialist construction, the WPK developed the North into a powerful independent, self-reliant socialist country with its own self- defense, thus creating a unprecedented miracle.

The northern half of the fatherland, which rose into a higher stage where the program of chuche-orientation for all of society is being comprehensively implemented, accelerated the great socialist construction under the banner of the three revolutions—ideological, technological, and cultural—by crushing the antisocialist and antirepublic maneuvers of the imperialists and reactionaries. Thus, the northern half of the fatherland is lit more brightly, as a lighthouse throws light upon the course of the era of independence and gives hope to mankind.

Whether a violent gale of antisocialism by the imperialists threatening the mankind's cause of independence blowing from the West or the muddy stream of opportunism which ruined socialism rushing in from the North side, the masses in the North are vigorously marching toward the complete victory of socialism and the independent and peaceful reunification of the fatherland. Their attitude does not waver and overflows with confidence by following the outstanding and refined leadership of the great leader and dear comrade leader.

With great ideas, perfect theories, and scientific methods, the WPK is accelerating the revolution and construction and advancing as a vanguard of the era of independence by cherishing the revolutionary principle and the spirit of resolute anti-imperialist struggle. For this, the WPK won fame as a militant, authoritative party with great influence in the international arena.

Because the great leader is leading the WPK, its voices are resounding all over the world as a bell of the times.

The WPK's vigorous stride gives faith in certain victory and an indomitable fighting spirit to hundreds of millions masses aspiring to independence.

Indeed, the WPK is a great chuche-type revolutionary party which has perfectly realized the ideas, theories, and methods of the respected leader. It is an ever-victorious banner leading the chuche revolution without deviation along the broad, glorious road as the leader intended. The WPK is an indomitable party which will be brilliant forever along with the name of the leader.

Endlessly inspired by the WPK's great victory and achievements, our SKNDF, which was founded by taking the great chuche idea as its guiding ideal, consistently struggled to fulfill the important missions and duties assigned by the times and by the nation.

By putting forward the chuche-type program of struggle, which correctly reflected the depressed social realities of South Korea and the vital demands of the masses, our SKNDF is victoriously pioneering the rugged road of sacred struggle for anti-U.S. independence, antifascist democratization, and national reunification at the van of the masses. The flames of the anti-U.S. and antidictatorship national salvation struggle of the people from all social strata are ceaselessly erupting like an active volcano.

The chuche-orientation of the SKNDF and the ranks of the reform movement are being successfully implemented amid the flames of fierce struggle with our party's efforts directed at this. Our SKNDF seeks the key to victory over the U.S. aggressors—the strongest enemy in the world—by strengthening the main force of the reform movement. As the result, the three greatest main forces—workers, farmers, and students—are growing steadily.

A great number of chuche-type young patriotic vanguard fighters have been fostered and the kernel encampment of the national democratic movement has been consolidated. The spearhead of struggle is being centered on the U.S. aggressor forces, and the movement for anti-U.S. national liberation and for independent reunification has been popularized on an organizational basis. This is a precious outcome of the chuche idea's endless vitality and matchless pulling capacity.

Conscious of their destiny being ruined by the rapidly-increasing main forces of the reform movement, the U.S. imperialists and military dictator forces are desperately running amok to crush the patriotic forces from all walks of life, who follow the chuche idea, by wielding the fascist iron fists of unprecedented security-oriented rule. However, no one can break the faith of chuche and fighting spirit deeply cherished in our masses' hearts.

The more complex the situation at home and abroad and the more fiercely the enemy's desperate maneuvers, the more deeply will we mingle with the masses according to the demand of the chuche idea and actively wage the mass political activities to raise their consciousness and to organize them. Thus, we will raise strong and powerful forces in the reform movement and raise the flames of the anti-U.S. and antifascist struggle. We will expeditiously achieve the great historic task for independence, democracy, and reunification without fail.

The SKNDF Central Committee, voicing the unanimous desire of the patriotic vanguard fighters and the masses from all social strata in South Korea, respectfully wishes Comrade Kim Il-song, the founder of the chuche party, the lodestar of national reunification and the great sun of the nation, long life and good health.

[Signed] The SKNDF Central Committee
[Dated] 10 October 1991
[Place] Seoul

Conservation Union Condemns South Nuclear Plant

SK1110065691 Pyongyang KCNA in English
0605 GMT 11 Oct 91

[Text] Pyongyang October 11 (KCNA)—A spokesman for the Central Committee of the Korean Natural Conservation Union issued a statement to the press today, condemning the South Korean authorities for announcing a plan to build a nuclear power station in Kosong near Mt. Kumgang, a scenic spot of Korea and a noted place of the world for tourists.

He branded their reckless plan to build a nuclear power station near the Military Demarcation Line as an anti-national move to destroy the beautiful natural environment of the country and claim lives of the fellow countrymen and a deliberate provocation to aggravate North-South confrontation. To build a nuclear power station is, by nature, a very serious question which is directly related to environmental pollution, ecological destruction and protection of human lives, and its lot is stipulated by international regulations, he said, and went on:

Still worse, their hazardous plan to build a nuclear power station near the Military Demarcation Line along which military confrontation and tension are extremely strained is an anti-national and anti-reunification crime to keep the North and the South closed to each other forever by building a nuclear barrier on the concrete wall bisecting the territory of the country.

I strongly demand that the South Korean authorities give up at once their moves to build a nuclear power station near the Military Demarcation Line with a view to protecting the nature of the country and removing North-South confrontation as well.

Daily Lauds Proposal for Confederal State

SK1010121891 Pyongyang KCNA in English
1113 GMT 10 Oct 91

["Proposal for Founding Confederal State Is Most Reasonable, Great Programme for National Reunification"—KCNA headline]

[Text] Pyongyang October 10 (KCNA)—NODONG SINMUN today carries an article headlined "Proposal for Founding Confderal State Is Most Reasonable, Great Programme for National Reunification" on the lapse of 11 years since the great leader President Kim Il-song put forward the proposal for founding the Democratic Confederal Republic of Koryo [DCRK] as a new epochal way of opening a decisive phase for national reunification at the historical 6th congress of the Workers' Party of Korea held in October 1980.

The paper in a by-lined article quotes the great leader Comrade Kim Il-song as saying:

"The proposal for founding the Democratic Confederal Republic of Koryo means that the country should be reunified by founding a confederal state through the establishment of a unified national government on the condition that the North and the South of Korea recognize and tolerate each other's ideas and social systems, a government in which the two sides are represented on an equal footing and under which the North and South exercise regional autonomy with equal rights and obligations."

The proposal for founding the DCRK put forward by the great leader is a unique way of national reunification of our style, embodiment of the immortal chuche idea, and a most fair and realistic proposal for reunification which correctly reflects the desire of our people for reunification and the specific conditions of the country.

This proposal comprehensively expounds the principle and way of forming a confederal state, its nature and function, duties of a reunified government and regional governments and their correlations, policy of a confederal state and all other questions arising in founding a reunified state and administering it.

Under the situation of our country where two different ideas and systems exist in the North and South, national reunification should be realized by establishing a confederation based on one nation, one state, two systems and two governments, on the principle of neither side conquering the other or being conquered by the other.

The proposal for reunification by means of confederation is derived from the possibility for two different systems and governments to coexist in one national state.

If one forces one's idea and system upon the other or asserts reunification by "unifying systems", refusing to see the hard reality of the North and the South in which there are different ideas and systems, it will further deepen distrust and confrontation, not reunification and, furthermore, bring about conflict and national disasters of a fratricidal war.

No matter how the situation on the Korean peninsula changes, Korea can be reunified in conformity with the nation's common demand and interests only by the proposal for founding the Democratic Confederal Republic of Koryo which applies the three principles of national reunification—independence, peaceful reunification and great national unity.

Our party and the government of the Republic repeatedly put forward the proposal for convening a political consultative conference for national reunification in which authorities in the North and the South and delegates of political parties and organisations will take part and realistic proposals for negotiations in order to realise the realistic proposal for reunification through confederation.

But this proposal has not yet been realised owing to the moves of the splittist forces at home and abroad who are opposed to reunification.

If we allow the moves of the splittist forces to create "two Koreas", the division of the nation will be freezed and South Korea will be left to the United States as its colony forever.

The entire Korean people in the North, the South and overseas should more valiantly turn out in the struggle to frustrate the splittist forces' "two Koreas" plot, continuously holding high the slogan "Korea is one" in the future, too.

KCNA Reviews 11 Oct Pyongyang Press

SK1110070491 Pyongyang KCNA in English 0614 GMT 11 Oct 91

[Press review]

[Text] Pyongyang October 11 (KCNA)—Papers here today carry photo-accompanied reports that Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea [WPK] and president of the Democratic People's Republic of Korea, met again with Comrade Jiang Zemin, general secretary of the Central Committee of the Communist Party of China, and President Kim Il-song arrived in Nanjing and received warm welcome from the citizens.

It is reported in papers that the Jiangsu Provincial Committee of the CPC and the Jiangsu Provincial People's Government arranged a grand banquet in honour of President Kim Il-song on a visit to the province and he visited the Meiyuan Xincun memorial hall in Nanjing.

Mass media of China and other countries continue to give wide publicity to the sojourn of President Kim Il-song in China, according to the press.

NODONG SINMUN carries a message of greetings of President Kim Il- song to Abdur Rahman Biswas on his election as president of the People's Republic of Bangladesh.

Seen in the paper is a solidarity message to President Kim Il- song from Genaro Ledesma Izquieta, chairman of the United Left of Peru, in connection with the fact that a joint meeting of the participants in the international solidarity march for Korea's reunification was held in Korea.

Messages of greetings to President Kim Il-song and the WPK Central Committee from foreign party and state leaders on the 46th anniversary of the founding of the WPK are also seen in the paper.

Papers report that President Kim Il-song sent messages to foreign party and party leaders in reply to their messages of greetings on the 43rd anniversary of the founding of the DPRK.

NODONG SINMUN reports that a lecture was given in Tokyo for officials of Chongnyon [General Association of Korean Residents in Japan] on the 65th anniversary of the formation of the Down-With- Imperialism Union and the 46th anniversary of the founding of the WPK, many copies of literature hailing the 46th anniversary of the WPK founding were disseminated in different parts of South Korea and the 46th anniversary of the WPK founding was celebrated in different countries.

It is reported in the paper that a meeting was held to mark the 45th anniversary of the founding of the hydraulic power station construction complex No. 1, which performed feats of labour in the construction of large-scale power bases of the country.

It informs the readers that the general secretary of the People's Unity Party of Tunisia met with the DPRK ambassador to his country, our strongmen proved successful at the world weightlifting championships and the world wrestling championships and a DPRK book and photo exhibition was held in Switzerland.

The paper carries a statement issued by the spokesman of the Korean anti-nuke peace committee and a report that the Secretariat of the Committee for the Peaceful Reunification of the Fatherland issued information No. 602, denouncing the South Korean authorities for planning to build a nuclear power station near the Military Demarcation Line.

Papers carry a letter sent by Kim Sun-im to her husband Yi In-mo, former war correspondent of the People's Army who was kept in prison for 34 years and crippled for the mere reason that he refused to convert and is being treated at a house of a farmer in South Korea after being released, as well as a report of the South Korean newspaper HANGYORE SINMUN on the fact that Yi In-mo received the letter of his wife.

MINJU CHOSON runs an article explaining that the proposal for founding the Democratic Confederal Republic of Koryo is a most fair and aboveboard, common way of reunification of the nation.

NODONG SINMUN conveys what foreign political figures said in high tribute to the Workers' Party of Korea.

Papers report that the DPRK's entry into the United Nations and the international solidarity march for Korea's reunification were supported in many countries.

An early normalisation of Japan-DPRK diplomatic relations was demanded by local assemblies of Japan, says the press.

NODONG SINMUN carries a report that the 80th anniversary of the 1911 revolution is being celebrated in China and articles on the achievements made by the Chinese people under the socialist system and on Beijing.

It is reported in the press that Western mass media and the U.S. Defense Information Centre published articles on the true nature of the U.S. proposal for nuclear arms cutback and a protest movement is going on in Sakhalin and the Maritime Province of the Soviet Union against the return of the "northern territory."

MINJU CHOSON runs an article entitled "Nuclear Weapons Must Be Removed at Once From the Korean Peninsula."

South Korea

Seoul Not Seeking 'Unification by Absorption'

SK1110041191 Seoul YONHAP in English 0207 GMT 11 Oct 91

[Text] Seoul, Oct. 11 (OANA-YONHAP)—South Korea did not seek to absorb North Korea in the process of achieving reunification, Foreign Minister Yi Sang-ok told a breakfast meeting sponsored by the Newspaper Editors Association Friday.

North Korea had repeatedly expressed concern over, and opposition to, German-style unification by absorption, and South Korea needed to allay its concern through dialogue and exchanges, he said.

On Seoul-Beijing diplomatic normalization, Yi said it was "meaningful" that he and his Chinese counterpart Qian Qichen met at the United Nations on Oct. 2. It was the first official diplomatic contact between the Korean and Chinese ministers.

"There are ample opportunities for further contacts, such as the Asia-Pacific Economic Cooperation (APEC) ministerial meeting next month in Seoul and the U.N. Economic and Social Commission for Asia and the Pacific (ESCAP) meeting next February in Beijing," he told the breakfast meeting attended by media executives and editors.

"It is difficult to predict when Seoul-Beijing ties will be normalized, but we believe it is possible in the near future," Yi said.

The comments were made during a question-and-answer session following Yi's speech on diplomacy after Seoul's and Pyongyang's parallel entry into the United Nations.

Asked about linking North Korean development of nuclear weapons and withdrawal of the U.S. nuclear arsenal from South Korea, the foreign minister said Seoul adhered to five principles on the issue.

"One, North Korea must sign the nuclear safeguards accord since it is an obligation of the Nuclear Non-Proliferation Treaty. Two, the signing must be unconditional. Three, the two sides could discuss nuclear issues once North Korea signs, ratifies and implements the accord," he said.

"Both the United States and South Korea maintain their neither- confirm-nor-deny policy regarding the presence of nuclear weapons in the South, and withdrawal of the alleged U.S.-deployed nuclear arsenal is a matter of negotiation between Seoul and Washington, not between Seoul and Pyongyang," the foreign minister toid the meeting.

Asked what measures Seoul was considering to press Pyongyang to sign a safeguards accord, Yi said: "We cannot reveal at this time the specific plans we have in mind."

There have been reports that South Korea will ask the U.N. Security Council to adopt a resolution urging North Korea to sign an accord.

The foreign minister reiterated his government's concern about Japan's move to send its Self Defense Forces on overseas missions, saying it was undesirable for Japan to overstep its self defense purview and try to play a global military role.

In his speech, Yi emphasized future contribution to U.N. peacekeeping efforts.

"South Korea, as a full member of the United Nations, is likely to be asked to participate in its peacekeeping missions. We will follow the international consensus in this area," he said.

He called on North Korea to also live up to its obligations and responsibilities as a U.N. member.

"We called North Korea by its official name, 'the Democratic People's Republic of Korea (DPRK),' with the hope that it will act out its full obligations as a formal member of the global body. We will continue to refer to North Korea as DPRK in international fora," Yi said.

UN May 'Enforce' Outside Inspections on North

SK1010124291 Seoul YONHAP in English 1156 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—The South Korean Government is positively studying the possibility of using the good offices of the International Atomic Energy Agency (IAEA) in getting the U.N. Security Council to take measures to enforce outside inspection of the North Korean nuclear installations, government sources said Thursday.

The sources said the government is planning to work out specific measures to compel North Korea to accept international inspection of its nuclear facilities in close consultations with Japan, Australia and other IAEA governor countries which have championed stern sanctions against North Korea's nuclear ambition.

The IAEA Board of Governors will open a special meeting on Dec. 5 to be briefed on an official report on North Korea's nuclear development program. Concrete measures to be taken against the North Korean nuclear program will be discussed in earnest in a regular Board of Governors meeting in February next year.

IAEA is said to be considering submitting to the U.N. Security Council a resolution calling for a forcible inspection of the North Korean nuclear facilities.

North May Modify Nuclear Policy Since UN Entry

SK1110024391 Seoul THE KOREA TIMES in English 11 Oct 91 p

[Text] A senior secretary to President No Tae-u observed yesterday that North Korea would eventually "modify" its nuclear weapon development plan due to pressures from within and without the United Nations.

The expected change in the North's nuclear policy in the wake of its entry into the world body along with South Korea would increase the possibility of arms control and confidence-building between the two Koreas, he said.

Yom Hong-chol, secretary for political affairs to No, was speaking on the prospect of progress in South-North Korean relations following their simultaneous entry into the world body in a seminar sponsored by the Advisory Council for Peaceful and Democratic Unification.

The former Kyongnam University professor also observed that the North's joining the U.N. would prompt its opening.

He cited as a signal to the North's "forced opening" the census to be taken under United Nations supervision in the near future.

The presidential aide predicted that U.N. membership would help advance the normalization of ties between Seoul and Beijing, thus raising the possibility of cross-recognition of the two Koreas by the United States, the Soviet Union, China and Japan.

He further said that Kim Il-song's sudden visit to China should be understood as a scheme to alleviate, though only for the moment, shocks from rapid changes in the international situation surrounding the peninsula.

He stressed that the joint entry into the world organization "does not necessarily mean that the security problem on the Korean peninsula has been completely solved."

"We have to maintain the current security cooperative relations with the United States also in the days to come in light of the post-unification security of Korea," he said.

Seoul To Back North Plan for Tuman Development

SK1110093291 Seoul YONHAP in English 0842 GMT 11 Oct 91

[Text] Seoul, Oct. 11 (YONHAP)—The South Korean Government is likely to support North Korea's proposals for development of the Tuman River basin at an international conference in Pyongyang on the subject, sources at the Economic Planning Board said Friday.

North Korea's proposals, based on the Rajin-Sonbong economic trade zone, looked most "economical" of all the formulas produced by countries concerned with the development project, including the Soviet Union, Mongolia and China, they said.

A three-member South Korean delegation headed by the assistant economic planning minister for international policy coordination, Kim In-ho, will leave for the Pyongyang conference on Sunday.

They will arrive Oct. 15 via Beijing, conduct an on-site survey of the Tuman River basin Oct. 16-17 and attend the meeting of aid coordinating (MAC), sponsored by the United Nations Development Program (UNDP).

Kim told reporters Friday that the Tuman project was in the initial stages of discussion and political considerations would be needed to coordinate the different positions of the countries concerned.

"We take the issue not as an inter-Korean issue but as one requiring regional cooperation in Northeast Asia," he said.

According to a UNDP report to be submitted to the MAC, it will cost 30 billion U.S. dollars to develop the basin into an international investment zone over the next 20 years and to build more than 10 ports, cities and related facilities.

The report, drawn up by three UNDP experts, suggests the Tuman project be carried out in a coordinated manner to secure the "confidence of the international investment community and the necessary finance,... Avoid unnecessary or costly duplication of facilities,... (and) eliminate unhelpful or destructive competition."

All countries concerned were willing to reaffirm their commitment to regional cooperative arrangements "in general terms," the report says, though differences remained with regard to the "short- and longer-term objectives and the preferred modalities of such cooperative arrangements."

The report quotes Kim Chong-u, North Korean vice minister of external economic affairs, as telling the UNDP experts that Pyongyang planned to proceed with the development of the Tuman River basin immediately.

North Korea believed each country should proceed with its own plans for developing their areas and cooperation and coordination could come later, the report says.

Kim outlined to the UNDP experts that his government was to press initially for increased utilization of existing rail and port facilities and to gradually expand in line with demand.

As for priorities, emphasis will be on investments that provide a quick return, particularly road and rail facilities.

If China, Russia or Japan were interested, they could invest as partners and share the profits, if not, the North Korean Government would proceed on its own initiative, Kim is quoted as saying.

South Imports More North Goods Since UN Entry

SK1110041491 Seoul YONHAP in English 0244 GMT 11 Oct 91

[Text] Seoul, Oct. 11 (YONHAP)—Imports of North Korean goods by South Korean general trading companies have risen since the two Koreas were admitted to the United Nations last month, business sources said Friday.

General traders, including Samsung and Hyundai, have concluded import contracts with North Korea for minerals, agricultural products and other goods via agents in third countries.

Samsung Co. has signed contracts to import 1,500 tons of zinc ingot, five tons of farm crops and three tons of yarn from North Korea through an agent in Hong Kong.

A Soviet ship is in North Korea's Nampo port to load the goods and is scheduled to arrive at Inchon, west of Seoul, Sunday.

Samsung plans to bring in 3,000 tons of steel sheet and 1,500 tons of zinc ingots around the end of this month.

The North Korean steel sheet will be loaded at Chongjin port and arrive at Inchon and the zinc ingots will depart from Hungnam and arrive at Inchon.

Samsung plans to pay for the steel sheet with color television sets, sugar and refrigerators. It was negotiating with the Hong Kong agent and Soviet transportation officials to ship the goods to North Korea by sea from Pusan to the Soviet port of Vostochniy and via railroad from Khabarovsk to Pyongyang.

Ssangyong Corp. imported 5,000 tons of iron ingots last month and plans to import an additional 5,000 tons late next month.

Hyundai Corp. plans to import 1,500 tons of North Korean iron ingots to Onsan late this month.

Gorbachev Sends Letter of Thanks to Cheju Island

SK1110063791 Seoul YONHAP in English 0557 GMT 11 Oct 91

[Text] Cheju Island, South Korea, Oct. 11 (OANA-YONHAP)—Soviet President Mikhail Gorbachev sent a message to the people of Cheju Island earlier this week in which he recalled his visit here in April for a summit with South Korean President No Tae-u.

The message, delivered by Soviet Ambassador Oleg Sokolov, was in response to a letter Cheju Province Council sent to Gorbachev Sept. 18, thanking him for the "world publicity" he gave the island by choosing it for the summit site.

"President Gorbachev and Madame Gorbachev warmly recall their visit to your wonderful island and the hospitality accorded them there," the message said. "They regard this as a manifestation of sincere and friendly feelings of the Koreans towards the Soviet people, and they extend their wishes of happiness and prosperity to all the residents of Cheju-do and the entire Korean people."

* North Official Yo Yon-ku Profiled

912C0282A Seoul PUKHAN in Korean No 8, Aug 91 pp 142-148

[Article by Song Un-hui, lecturer at Kyonghui University: "Yo Yon-ku, Broad-Minded and Open-Hearted Figurehead Manageress of External Affairs"]

[Excerpts] Yo Yon-ku is the daughter of Yo Un-yong (alias Mong Yang). She began to draw political attention in the late 1970's as she occupied a politically important post in 1979. Through energetic activities in domestic and external affairs, she has gradually consolidated her position as a female politician in North Korea.

She is known as a woman to be reckoned with, especially in view of her activities as: North Korean representative to the North-South talks during in the 13th World Youth and Student Festival (May 1989); chairwoman of the Korean Struggle Committee for the Release of Yim Su-kyong (June 1990); and the head of the North Korean delegation to the recent "Symposium on Women's Role for Peace in Asia" held in Tokyo (25 May through 8 June 1991).

In fact, when one tries to write a personal history of someone in North Korea, one has to take into consideration the paucity of materials available on him as on other matters in North Korea. Even when some materials are available, there is always the possibility that these materials will be exaggerated either in positive or negative terms. Considering the peculiarity of the mechanism of North-South confrontation resulting from the artificial separation through the wall of division and the different systems in the North and South, the author is compelled to point out the limitations of the present article.

Expert Linguist Majored in English Literature

Yo Yon-ku was born in Seoul in 1927. Under the influence of her father, who was a champion of the independence movement and a politician, she was early on educated to have pride as a Korean and in the spirit of struggle for national independence. Yo Un-hyong (alias Mong Yang), her father, married the eldest daughter of Yu Yong-se, three years his junior, when he was 14 years old. But, after three years of marriage, the wife died when she was six months pregnant. After the death of his first wife, which came when he was 17, he married the daughter of a certain Chin of Taejon, South Chungchong Province, when he was 19. He had four sons—Pong-ku, Hong-ku, Yong-ku, and Pung-ku—and three daughters—Nan-ku, Yong-ku, and Won-ku. Pong-ku, the eldest, enraged by the Wanbaoshan incident [Japanese-instigated clash between Korean immigrant farmers and Chinese peasants over an irrigation channel in Jilin Province, Manchuria, in July 1931], went back to Shanghai immediately after the incident. He died in Shanghai while his father was in Seoul after release from his first imprisonment. Hong-ku, the second son, a classmate of Son Ki-chong, studied in Hosei University in Japan after graduating from Yangjong High School. Subsequently, he contracted the so-called "chumadam" in 1939 and died the early winter of 1940 despite transfusions of blood donated by a string of young patriots.

Yo Un-hyong went to North Korea to meet with Kim Il-song in 1946, one year before his assassination. It is said that during their conversation, Yo Un-hyong consulted Kim Il-song about the future of his children. As a result, it is said, three of his children, including Yon-ku, crossed over into North Korea in early 1947.

Yo Yon-ku has one younger brother and one younger sister in North Korea. The brother is a member of the Academy of Sciences, and the sister is a high school principal. Yo Yon-ku crossed over into North Korea in 1947, after liberation, with her brother and sister while attending Ehwa University. She studied first at Kim Il-song University and then went to the Soviet Union to major in English literature at Moscow University. She is generally acknowledged as an expert linguist. After graduation, she taught at the Foreign Language Institute. Her star began to rise when she subsequently entered the field of politics. She has been a front woman mainly in the field of foreign relations, most probably in the afterglow of her deceased father.

Yo Yon-ku is tall for a woman, has a rather moon face with large eyes, large ears, and large mouth, her skin is fair, and she wears glasses. She is broad-minded, straightforward, and open-hearted in character. Despite her mannish personality, she is acknowledged as a kind-hearted woman. She stayed single until the early part of the 1980's, and her hobby is said to be reading.

After graduation from Moscow University, she became a teacher at the Foreign Language Institute in 1953, and subsequently was appointed as professor of English literature at the same institute in 1957 and as English teacher at the DPRK Political College under the Workers Party of Korea [WPK] Central Committee, in 1965. Currently, she is chairwoman of the Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF], and concurrently vice chairwoman of the SPA [Supreme People's Assembly] Standing Committee, and an SPA deputy.

Background of Rise in Power, Activities

It was due to her father's influence that Yo Yon-ku quit Ehwa College and crossed over into North Korea.

At his meeting with Kim Il-song in 1946, Yo Un-hyong told Kim Il-song that he planned to send his children to North Korea and asked Kim to help educate them. As a result, his three children went to North Korea in 1947 to see Kim Il-song. After their entry to North Korea, the three children stayed with Kim Il-song for a while before leaving for the Soviet Union for study. When they returned to North Korea upon finishing their studies in the Soviet Union, they were unable to meet Kim Il-song because the war was going on. Later Yo Yon-ku became a teacher at a foreign language institute. In those days she devoted herself to education and had no contact with Kim Il-song.

Meanwhile, about in October 1978 then party Secretary Kim Chung-nin briefed Kim Il-song on matters concerning South Korea, and during this briefing, Kim Chung-nin referred to the question of Yon Un-hyong. While carefully listening, Kim Il-song suddenly tapped the table shouting loudly, "O my!" Saying he had made a big mistake, Kim Il-song recalled Yo Un-hyong's three children to his mind. He said: "I had completely forgotten. I wonder how much the late Mr. Yo would have chided me. It is tantamount to having neglected my duty toward Mr. Yo." Referring to Yo Un-hyong's three children, Kim Il-song asked Kim Chung-nin whether he knew where they were and what they were doing. Kim Chung-nin frankly told Kim Il-song that he knew nothing about them and that he did not even know that Yon Un-hyong had children. Thereupon Kim Il-song told Kim Chung-nin that it was quite long since Yo Un-hyong's three children returned from the Soviet Union upon completion of their studies, and that they must be somewhere in the North. He instructed Kim Chung-nin to look for them.

Immediately after receiving Kim Il-song's instruction, Kim Chung-nin found out the whereabouts of Yo Un-hyong's three children, including Yo Yon-ku, and reported it to Kim Il-song. Kim Il-song summoned the three and invited them into his room. Later they met Kim Il-song again. Subsequently, Yo Yon-ku suddenly emerged as a political figure thanks to the personal intimacy between Kim Il-song and Yo Un-hyong, her father. Beginning in the 1970's, she actively took part in political activities riding on the political coattails of her deceased father.

The following is a brief record of Yo Yon-ku's political activities after the 1970's: She sat in during the meeting in June 1981 between Kim Il and Yi Hwa-song, representative of the Association of Korean Residents in West Germany for the Reunification of Korea. In October 1981, she attended the party welcoming Choe Hong-hui's entry to North Korea. In December 1981 she attended the Pyongyang City student rally denouncing the ROK Government's educational policy. At this rally, she issued a statement condemning the ROK Government's unification policy. Thus she began to gradually consolidate her position through political activities at home.

She became a member of the Central Election Committee in January 1982 and a deputy to the Seventh SPA in February 1982. She addressed the Pyongyang City report meeting in March marking the 63d anniversary of the 1 March Independence Movement and delivered a report at the Pyongyang City youth rally marking the 18th anniversary of the 24 March Taegu student uprising. In June 1982 she also delivered a report at the report meeting marking the 56th anniversary of the 10 June 1926 demonstration against Japanese rule. In the same month, she expanded her scope of activity into foreign affairs by touring Bulgaria, Hungary, Czechoslovakia, and East Germany as head of the DFRF delegation. In August she delivered a congratulatory speech at the sixth congress of the Chondoist Chongu Party. In September she met with the delegation of the Bulgarian People's Assembly; and in October she delivered a report at the Pyongyang City report meeting marking the third anniversary of what is known as the October uprising (the Pusan-Masan incident). In November, she issued a statement denouncing the ROK-U.S. policy advisory conference and participated in the "dialogue between North Korea and overseas Korean Christians for the reunification of the fatherland," held in Helsinki, Finland. Her external activities were gathering considerable momentum on the heels of her dynamic internal activities.

She was also active in her political affairs pertaining to South Korea. In particular, she issued a statement in January 1983 denouncing then Japanese Prime Minister Nakasone's visit to South Korea, and in September she addressed "the mass rally denouncing the U.S. imperialists' military occupation of South Korea and their policy of aggression." She also delivered a commemorative address to the Pyongyang City report meeting marking the 35th anniversary of the October Yosu-Sunchon rebellion. Some may snub these political activities as nothing more than the playing of her role as a hired manageress dealing with foreign affairs. But we can say that her role and position were established to a certain degree.

She visited China in October 1984 as head of a DFRF delegation, and in March 1985 she attended the 73d IPU [Interparliamentary Union] general meeting as the head of the North Korean parliamentary delegation. She also visited Bulgaria and East Germany leading the delegation of the DFRF Central Committee. In July 1985 she signed in Berlin a 1986-1990 cooperation agreement between the DFRF Central Committee and the Central Committee of the GDR Democratic Front. In view of these activities, we can hardly brand her as a political front woman and ignore her political position and influence.

Solid Position as Female Politician

Yo Yon-ku is very active internally and externally as a person representing the parliament, women, and DFRF organizations. In particular, on the strength of her outstanding linguistic ability, she from time to time represents North Korea at international conferences. In her latest parliamentary activity, she visited Japan from 25 May through 8 June 1991 as head of the Korean women's delegation .

Yo Yon-ku was successively appointed as assistant director of the secretariat of the DFRF Central Committee in June 1981, as vice chairman of the Korean Relief Committee for Overseas Compatriots in September 1981, as deputy to the Seventh SPA in February 1982, as secretary general of the DFRF Central Committee in January 1983, as SPA vice chairwoman in April 1983, and as chairwoman of the DFRF Central Committee in May 1986. Since then, she has consolidated her political influence. After election as deputy to the Eighth SPA in November 1986, she became vice chairwoman of the SPA Standing Committee. Her political star continued to rise as she became vice chairwoman of the Struggle Committee for the Release of Yim Su-kyong, who represented South Korea at the 13th World Youth and Students Festival.

Entering the 1990's, her political activity became more active.

On 28 February 1990, in her capacity as chairwoman of the DFRF, she attended the Pyongyang City report meeting marking the 71st anniversary of the 1 March people's uprising, held in the Central Workers' Hall in Pyongyang. On 1 March she attended the "Pyongyang City mass rally denouncing Team Spirt 90," held at the Cultural Palace of the People. In addition, on 17 March she attended the Pyongyang City report meeting marking the eighth anniversary of setting fire to the USIS building in Pusan.

In the 22 April 1990 election of the Ninth SPA, which aroused unusual interest in connection with the question of succession of power to Kim Chong-il, she was elected as SPA deputy. She played her role as chairwoman of the DFRF at the 3 May forum of functionaries of political parties and social organizations, scholars, and journalists on the problem of human rights in South Korea. On 16 May she attended the opening ceremony of the "photo exhibition in commemoration of the 10th anniversary of the Kwangju popular uprising," held in the Cultural Palace of the People under the sponsorship of the Pyongyang Office of the South Korean National Democratic Front (hanminjon). On the following day she attended the Pyongyang City mass rally marking the 10th anniversary of the Kwangju popular uprising, held in the outdoor theater in the Moranbong Youth Park. Thus she continued to consolidate her political base as chairwoman of the DFRF.

On 23 May 1990 she attended the Pyongyang City memorial service for the deceased Sim Chang-ho, a student of Taeyu Industrial College, held at the Central Youth Hall, and on 31 May she issued a statement supporting Kim Il-song's policy speech on the "five-point policy for the reunification of the Fatherland." On 9 June, in her capacity as vice chairwoman of the SPA Standing Committee, she attended the reception hosted by the State Administration Council in honor of the Philippine parliamentary delegation. On 30 June 1990, in her capacity as chairwoman of the Korean Struggle Committee for the Release of Yim Su-kyong and also as DFRF chairwoman, she attended the press conference sponsored by the struggle committee.

On 7 July she attended the youth and students rally marking the first anniversary of the publication of the joint declaration of North and South Korean youth and students. On 6 August she sent a message to President No in her capacity as chairwoman of the Korean Struggle Committee for the Release of Yim Su-kyong, informing him of the plan to dispatch a sympathy group to Panmunjom (at 0900 on 14 August). On 13 August, she attended the opening ceremony of the pan-national congress and the ceremony kicking off the Paekdu-Halla grand march for the promotion of national reunification, in her capacity as vice chairwoman of the North Korean side to the said congress. On 15 August she called the pan-national congress into session in her capacity as vice chairwoman of the preparatory committee [as published] of the North Korean side.

On 20 October 1990 she attended the performances at Ponghwa Art Theater given by the artists participating in the pan-national reunification concert, and on 30 December she gave a press conference for domestic and foreign reporters under the sponsorship of the Korean Straggle Committee for the Release of Yim Su-kyong.

All these activities are viewed as an attempt to make political capital of the Yim Su-kyong case by arousing attention at home and abroad to the question of her release. Since Yim Su-kyong's return to South Korea after her visit to North Korea, North Korea has kept the question of her release alive as a political issue.

Continuing from 1990, Yo Yon-ku has been politically active in 1991. On 16 April, when Kim Il-song received a delegation of Korean residents from the United States and Canada, which was visiting North Korea to attend Kim Il-song's birthday celebration, Yo Yon-ku reportedly sat in. On 28 April she attended the reception hosted by Yun Ki-pok for the South Korean delegation to the IPU conference, .

On 1 May she presided over the women's committee session of the 85th general meeting of the IPU held at the Cultural Palace of the People and later attended the reception at Magnolia House, at which Yang Hyong-sop was also present.

On 18 May she attended the Pyongyang City rally in Pyongyang Stadium commemorating the 11th anniversary of the Kwangju popular uprising, and on 23 May she attended the 30th anniversary of the Committee for the Peaceful Reunification of the Fatherland held in the Cultural Palace of the People.

On 25 May Yo Yon-ku left for Japan for a visit leading a women's delegation. The 26 May edition of NODONG SINMUN printed the following Pyongyang-datelined 25 May KCNA report about her departure:

"The Korean women's delegation led by Yo Yon-ku, chairwoman of the DFRF Central Committee, left Pyongyang for Japan by air on 25 May. Chon Yon-ok, vice chairman of the Korean Committee for Cultural Relations With Foreign Countries, was at the airport to see the delegation off."

NODONG SINMUN carried no further reports on Yo Yon-ku's activities in Japan except that on 9 June it printed the following brief Pyongyang-datelined 8 June KCNA report: "The Korean women's delegation led by Yo Yon-ku, chairwoman of the DFRF Central Committee, returned home on 8 June after winding up its visit to Japan. Chon Yon-ok, vice chairman of the Korean Committee for Cultural Relations With Foreign Countries, was on hand at the airport to welcome the delegation."

On 30 May 1991 Yo Yon-ku with two other North Korean women and three women from South Korea held a joint press conference at the Members' Club of the House of Councillors in Tokyo. On 31 May Yo Yon-ku read a paper in Tokyo on the theme of women's role for peace in Asia, and participated in a forum held in Hyogo Prefecture on the theme of women's role for peace in Asia. Pak Chong-hyon, Yi U-song, and Yi Hyo-che reportedly attended the forum. Yo Yon-ku participated in the paper reading meeting in Osaka on 2 June on the theme of women's role for peace in Asia. She left for home on 8 June leading her delegation.

Yo Yon-ku's recent activities suggest that she has been playing her role as a female politician well. In particular, she seems to be consolidating her position as a female politician representing North Korea in the field of foreign relations.

Yo Yon-ku is active as a front woman, maybe because she emerged on the political stage by riding on the coattails of her late father, Yo Un-yong, alias Mong Yong. Therefore, there is the possibility that she will be eliminated from her present position if her value as a front person evaporates. However, considering the fact that she has continually consolidated her political position since she entered the field of politics, she is expected to secure her position for now, at least, as a person representing the North Korean women. [passage omitted]

Yo Yon-ku's Career and Activities

1927: Born in Seoul; 1947: Dropped out of Ehwa University; 1947: Crossed over into North Korea, later majored in English Literature at Moscow University; 1953: Teacher at Foreign Language Institute; 1957: Professor of English literature at Foreign Language Institute; 1965: English teacher at DPRK Political Institute under WPK Central Committee; 1981: Assistant director, Secretariat, DFRF Central Committee; February 1982: Deputy to Seventh SPA; June 1982: Toured Bulgaria, Hungary, Czechoslovakia, East Germany; January 1983: Secretary General of DFRF Central Committee; April 1983: SPA vice chairman; June 1984: Visited China as head of DFRF delegation; March 1985: Attended 73d IPU general meeting as head of SPA delegation; May 1986: Chairwoman of DFRF Central Committee; November 1986: Deputy to Eighth SPA; December 1986: Vice Chairwoman of SPA Standing Committee; March 1989: Named as DPRK representative to pan-national congress; May 1989: DPRK representative at North-South talks held during 13th World Youth and Students Festival; September 1989: Vice Chairman of Struggle Committee for Release of Yim Su-kyong; April 1990: Deputy to Ninth SPA; June 1990: Gave press conference on behalf of Struggle Committee for Release of Yim Su-kyong; August 1990: Sent message to President No concerning dispatch of sympathy group to Panmunjom (on 14 August); August 1990: Convened pan-national congress; December 1990: Gave press conference for domestic, foreign reporters on behalf of Korean Struggle Committee for Release of Yim Su-kyong; January 1991: North Korean chairwoman of second panel of Pan-National Alliance for Reunification (pomminnyon); May 1991: Presided over women's committee meeting during 85th IPU general meeting; May 1991: Left for Japan for a visit leading women's delegation; May 1991: Held joint press conference with two other North Koreans and three South Koreans at the Members' Club of the House of Councillors in Tokyo; May-June 1991: Read keynote paper on women's role for peace in Asia (in Tokyo and Osaka).

Wastefulness in National Defense Budget Viewed

SK2409080391 Seoul WOLGAN CHOSON in Korean September 91 pp 166-79

[Article by Yu Yong-won: "The 7-Trillion-Won National Defense Budget and Its Wasteful Structure"]

[Text] —Missile parts imported at twenty times their price.

—A lieutenant colonel on his own handling 380 billion won.

—Loopholes in an accounting system which encourages import more than localization.

Yun decided to combine these offices involved in the FIP and create the "Force Integration Program Headquarters." However, there were many national defense staff officers including the vice minister of defense who applied the brakes to the minister's rapid reform. Eventually, the plan for a "Force Integration Program Headquarters" was put off, and as a compromise plan only a program group was formed to deal with large-scale projects.

At the time, the national defense minister's efforts in reforming the military operating expense administration were successful in launching a revolution in thinking over expenses in subordinate units. However, it was ineffective in solving detailed technical or structural problems.

This was because of the budget accounting law, the budget structure, the Economic Planning Board's [EPB] method of controlling the budget, and the Board of Audit and Inspection's [BAI] makeshift method of document inspection—all of which remained unchanged—as well as because of resistance on the part of the logistical cadre. However, the biggest cause for failure was that the people tasked with actually carrying out budgetary reform were officials concerned only with their own short-term accomplishments who also lacked expertise in their assigned fields.

Until now, logistics units have received their allocation of the logistics budget, procured all materials at one time, and then allocated them to their subordinate units. Logistical units have always exercised a significant amount of authority and control over how much goods would be allocated to units and how much would be kept in reserve. Of the total division budget, 30 percent went to wages, 21 percent to foodstuffs, 4 percent to a cash fund, and the remaining 45 percent was budgeted for logistics.

The usual custom until now was once the logistics agencies estimated their own requirements by product type, that amount would be immediately procured. Goods, once they were procured, were divided among the division, regardless of whether there were excesses or shortages. Excess goods were passed on within the division, while those items in short supply would be passed on after only a few months and had to be handled as though they did not exist. Units just had to live without those things which they didn't have. Even the following year, the logistics units would end up procuring nearly the same amount of goods which they had had the year before.

The Evil Practice of "Fabricated Administration"

Since inspections by IG [inspector general] teams would point out the retention of excess assets should logistics units stockpile too many goods, the logistics units were forced to distribute goods throughout the division. On the other hand, goods that were in short supply once remained in short supply constantly. Within the division, these were termed "chronically depleted items." Each unit designated one non-commissioned officer who would go to Chongkyechon and Namdaemun [South Gate] Markets in Seoul to purchase these depleted goods.

The reason that this phenomenon is repeated every year is because our country's accounting administration is not true accounting but rather dependent on "fabricated accounting (the practice of fixing the figures for actual expenditures and consumed goods to coincide with the budget and the amount of goods allocated)." One reason is because budgets are basically copied as-is from year to year.

There is a considerable difference between what a division feels it needs and the "fabricated administration" data that is reported to its higher headquarters. Formally, however, what matters at higher units is not word-of-mouth "noises" from subordinate units, but rather documentary administration paperwork. This is "fabricated administration," where, conscious of paperwork audits, the drafted plans and their execution are made to coincide.

This defense budget and supply system is rather reflective of the "ration culture" and "culture of centralized exercise of authority" formulated during the Japanese colonial and military assistance periods. Currently within the military there is absolutely no authority for budget control entrusted to those working in the field.

People working within the military central administrative offices control a massive state budget as though they have stuffed all their resources into a water pipe and little by little open and close the faucet as they see fit. This method allows for misuse of authority or wrongdoings while leaving no room for application of management techniques.

The importance of management accounting is growing as the scale of the defense budget becomes immense. Even though large quantities of data have already been produced using division computers, there have been no data of practical value (such as phaseout period of vehicles, for instance). Most people believe that in order to calculate the total requirement for a given logistical item throughout the military, an exact calculation of requirements starting at the company level must be made. Currently, however, such a process is impossible.

That is because at the company level, there are structural problems which make an exact submission of requirements impossible. Thus aggregate requirements across the military can only be calculated through the employment of higher mathematical models. These include "time-series analysis," which dominates the so-called "principle of large numbers" found in statistics, employed at the army command level.

In order for budgetary reform to have succeeded in 1983, there had to have been a specialization of operational methods within the logistics units on a more substantial level. Research on budgetary reform indicated that this implied taking away some of the logistics units' discretional realm, completely reversing the process which exists even now. Logistics officials used their experience to defiantly oppose reform, refusing to help. They even went as far as to deny the fact that today's logistics mission does not require personnel with dozens of years of logistics assignments, but rather young statisticians, analysts, and computer professionals.

The Sacred $23 Billion

Obstacles to national defense budget reform exist outside of the military as well. Problems in the budget accounting law and the auditing system are representative of this. There has not been a single amendment to the budget accounting law, which is no longer than 20 pages, since 1975. This law prohibits the improvement of budget administration efficiency because of practices like fiscal year independency, spending beyond target goals, restriction on budget carryover, and awarding of contracts to the lowest bidder.

Auditing methods and capabilities that center around legality and punishment are also dysfunctional. There are numerous instances where government authorities' work has been identified by an audit and they have been punished. The auditors must also make the system of the agency under inspection a target.

The highest auditing authority in the United States is the GAO (General Accounting Office). This office is composed entirely of personnel with a fundamental knowledge of accounting and statistics and is subordinate to Congress. Most companies, such as defense contractors who have contracts with the Department of Defense [DOD], receive a "DOD Contract Audit Agency (DCAA)" audit. The total manpower of this agency is 4,200 personnel, of which 82 percent are auditors with professional expertise, with some 600 veteran certified public accountants.

Additionally, audits in our country are classified by both the "nature of project" and "nature of expenses." However, a budget structure that lacks consistency and efficacy also leads to inefficiency in the execution of the national defense budget.

Since 1974 the ROK forces' FIP has been known as the "Yulgok Program." The budget for the Yulgok Program is drawn up separately from the regular national defense budget. Thus all data related to the project are treated as sacred as far as formation, execution, and auditing of the budget are concerned.

FIP expenses take 25 to 33 percent of the national defense budget. The total amount invested in the program reached $23 billion (based on the fixed 1990 dollar) during a 17-year period (1974-90). Through an agreement reached among each of the service's chiefs of staff, the distribution of project funds for investment has been 45 percent to the army, under 20 percent to the navy, over 20 percent to the air force, and around 6 percent for research and development.

Each service submits a list of equipment they need to the Joint Chiefs of Staff [JCS] through a "submission of requirement." The request then goes through a complex series of procedures and numerous conferences in both the JCS and MND offices before the decision to acquire the equipment is made and the model itself is chosen. The decision becomes official with the president's approval. In the beginning, officers with the rank of major and lieutenant colonel from each of the services who were in charge of submitting requirements were inundated with work. They did not even have time to read military affairs magazines which concerned advanced countries' weapons or trends in technological development. Moreover, they had not necessarily received special training in these fields. Thus, while they could easily submit requirements for equipment with which they were familiar and could confidently give recommendations to their superiors, it was impossible for them to submit requirements for modern electronics equipment which they themselves had difficulty understanding.

Proposals for requirements submissions which began with officials in each of the services went through a process of over 30 briefings and official documentation before it was reflected as an item under consideration by the JCS. The time consumed in this process was extremely lengthy. The procedure was officially the same at upper or lower levels, with the disposition of individuals at all echelons being similar. Indeed, those at the upper level knew less about these issues than those responsible for submitting the requirements.

On the other hand, the authority of individuals in upper-level offices has been increasing as the functions of the recently created JCS have been strengthened. This has led to bad personnel practices and their inherent adverse effects. Such procedures ultimately result only in a futile waste of several-years' futile time: The actual results of the decisionmaking are not improved correspondingly. With this time having been spent, the price of the equipment rises, while the equipment itself becomes dated. Thus there have been many cases where our military has purchased outdated equipment at exorbitant prices.

Almost all of the FIB budget over the past 17 years has been used for importing equipment, with the exception of an extremely limited portion of the budget allocated to building expansion and new construction. Statistically, the amount of money spent on importing overseas equipment and purchasing domestically-produced equipment appears to be roughly half-and-half. In reality, however, some 85 percent of the budget has been used on purchasing overseas equipment and parts.

The Outwardly Impressive Localization Rate

If one asks the main contracting companies that assemble the F5E/F (Skymaster), Korean-model tank (88 Tank), self-propelled artillery gun, or armored vehicle what the localization ratio is for those items, they will answer that it is roughly 70 percent. That is because all parts and components delivered from subcontractors are counted as being made domestically. However, since almost all parts that subcontractors supply are direct imports from overseas subcontractors, then we can regard localized modern equipment to be absolutely dependent on overseas parts.

The Korean-model tank and the Skymaster are 98 percent dependent on overseas parts; the armored vehicle and self-propelled artillery, 94 percent; the 500-MD helicopter, 97 percent; and the Korean-model naval destroyer, 91 percent. The domestic added value going to Korean companies as assembly costs in the case of the Korean-model tank totals 38 percent of the delivery cost, 8.8 percent in the case of the destroyer, 9.2 percent for the F5E/F fighter-bomber, and 21 percent for the 500-MD helicopter. Because of the expensive technology fees and companies' pursuit of profits, the delivery cost of items assembled domestically is more expensive than direct purchase (importing directly from overseas).

The degree of dependency on overseas parts does not only occur during assembly. The same figures apply to the 20 to 30 years during which this equipment is used. During the first half of the 1980's, the degree of dependency on overseas repair parts by service was 71 percent for the army, 86 percent for the navy, and 98 percent for the air force. All together, 72 percent of parts purchase costs were expended overseas for the three services. In addition to parts costs, 12 percent of the budget allocated to overseas parts purchase costs goes to bringing in overseas technicians. These are funds used to pay for bringing in overseas equipment technicians to repair occasional breakdowns in electronics equipment such as aircraft, guided shells, radar, and automation equipment.

The biggest problems in overseas purchases are "negotiating skills" and "testing and evaluation capabilities." Until now, one of the primary tools of negotiating for overseas equipment has been redundant competition and partiality toward negotiating down prices. Price alone is not the only objective of negotiation, however. Negotiation must include all aspects of the deal: technical capabilities, logistics support, technology transfer, concomitant maintenance, and technical training.

Even while failing to expend funds or time for testing and evaluation of overseas equipment, we waste several years' time on requirements proposals submitted from officials in the field.

In the case of the ROKA Training and Doctrine Command [TRADOC], one person—either a defense civilian or an officer at the rank of major—is tasked with testing and evaluation. With a total manpower of 15, this office has tested and evaluated over 100 pieces of equipment annually. In some instances this office has done this by taking a piece of equipment and entrusting it to a field unit; having them operate the equipment; making one or two three-day, two- night TDY's to the field; and compiling the opinions of the people who have been using the equipment.

There are basically two problems with domestic procurement. One is that our domestic defense companies have reached their limit in technological development. The other problem lies in the procurement contract system and the method of cost calculation. Most of our country's defense products consist of conventional equipment such as rifles and guns, ammunition, vehicles, and communications equipment. The technology of these products is at the same level as the free technology received from the United States as a kind of payment for the withdrawal of U.S. Forces Korea [USFK] troops toward the mid-1970's.

The More Defense Companies Economize, the Greater Their Losses

The amount of money spent on defense-oriented research and development by the 10 largest defense countries amounts to no more than 2.7 percent, limited only to a small level of manpower costs which are consumed by technology fees and blueprint management. In spite of the huge selling prices they get for their goods, these companies have not invested in research manpower and testing facilities. It is therefore no exaggeration to say they have virtually no technological capability either to develop new equipment or improve the capabilities of existing equipment. Because the recently imported aircraft, tanks, armored vehicles, and helicopters have actually been assembled by unskilled laborers, these large companies have not been able to accumulate technical operating capabilities.

The reason our defense technology is frozen at 1970's equipment levels is primarily due to our companies' addiction to short-term profits. However, the secondary reason can be found in the absence of leadership among our military science and technology personnel. The Agency for Defense Development (ADD) until now has been unable to provide any kind of vision to the military in the area of military science development. It also has been unable to fulfill its advisory role to either the president or the defense minister on military science policy. Instead, the agency has been engrossed in protecting its interests as a research institute.

In the early 1970's the ADD acted as a manager for defense companies. They received "Technical Data Packages (TDP)" for older- model equipment from the United States and, with the advice of U.S. technicians, they imparted this information to defense companies and had them copy and produce exact duplicates of the U.S. equipment. Recently, the ADD has even been tasked by the companies themselves under the justification of providing testing and analysis for defense goods developed with the companies' own funds.

The procurement contract system and the method of cost adjusting also greatly influence defense companies. Our military's contract system is designed to provide the biggest profits to the companies that produce the worst results. Profits are distributed to companies based on the size of the direct cost. The higher the direct cost, the greater the profits the company receives.

There is, therefore, no reason to strive to cut prices. Instead, inefficiency and manipulation of figures has been encouraged.

Within the procurement contract system, there is both a "fixed-price contract" and a "ex post facto cost adjustment contract." The former, as the name suggests, is a contract stating a fixed price. The latter adjusts for additional expenses, taking into consideration additional expenses, technology risk expenses, and the like. Formally, the fixed-price contract is the contract concluded most often. In reality, however, almost all contracts are carried out according to the ex post facto cost adjustment system.

In fixed-price contract operations, the military made the error of incurring a great loss in the pursuit of a small profit. If the company sincerely fulfilled the contract, the government naturally should pay the fixed price. However, even after concluding a fixed- price contract, the military would make adjustments and conduct inspections, having the company return all expenses they had succeeded in trimming. Although the annual amount of these returned funds came to very little, the DPA and its inspectors asked for them in order to make good impressions, as though they were their own personal accomplishments.

Regardless of the number of these inspectors' accomplishments during that time, from the companies' perspective the more economic and honest they were the more losses they incurred. In the long run, this system inflicted extraordinary damage on both the military and the companies.

The Self-Destructive Experience of Armored Vehicles

Both the military and the companies have suffered because both sides have not known just what a suitable price is. Also, since companies receive more compensation the higher the direct purchase price is, many unacceptable acts have been committed.

Personnel in charge of pricing at the MND and DPA decide the prices using the post-price adjustment system. MND personnel tasked with the job decide profit ratios.

Just as officials of the Office of National Tax Administration decide optional taxation amounts, the amount of materials required and the material cost unit price are decided when officials of the DPA "estimate" them using data provided by the companies and military specifications as references. In order to estimate the cost of materials for an average radio, a separate evaluation is required for each of the approximately 1,000 parts of the radio. One lone cost official at the DPA must do this for some 60 big and small pieces of equipment average annually.

These cost officials are normally graduates of commercial- business high schools. It is unreasonable to expect them to make an accurate assessment of each and every item required to produce a piece of equipment based only upon the specifications the company has provided. Even fixing a price for the materials is difficult—deciding labor costs drives cost officials wild.

For the sake of long-term development of companies and the fostering of international competitiveness, the military and the companies must cease this zero sum game. Companies must develop a normal cost accounting system if only so they can produce information of use to themselves. The military must give firm assurances to the companies that their efforts will not result in losses to them. They must improve the contracting system and cost adjustment system towards this end.

As the ROK military's equipment began to age in the mid-1970's, there was a need to entice many defense companies to replace this equipment in the short term. At the time, these companies received many benefits from the government such as financing, tax breaks, and optional contracts, mass producing equipment using blueprints and technical manuals provided by the military. In doing so, they were able to reap great profits by delivering them to the military.

The companies were forced to resort to expediency to meet short- term material needs, lacking the capabilities to draw up blueprints or develop official plans or manuals for defense equipment.

In the 1970's, Asia Motors produced some 370 armored vehicles for the military using technology acquired from Fiat of Italy. Since 1979, the last year these goods were supplied to the military, parts for these vehicles have been needed; however, Asia Motors has been unable to assist.

Asia Motors purchased exactly 374 kits from Italy and assembled them according to a process established by the Italians. There were no extra parts or components, and they were unable to obtain even one plan from the Italians. Subsequently, so-called cannibalization was necessary to extend the life of the vehicles. Old, worn-out parts from Italian armored vehicles were taken and installed on relatively new vehicles. Currently, there are only a few of these vehicles remaining, the average life-span of these vehicles having amounted to no more than five to six years.

Reimportation of Tank Parts at Four Times Their Price

A similar phenomenon can be seen in all instances where defense equipment was manufactured domestically with imported technology. Korean Air produced the 500-MD helicopter with technology introduced from Hughes (currently McDonnell Douglas). However, with neither Korean Air or its subcontractors able to make batteries for the helicopters, almost all parts had to be imported.

Although the battery used in the 500-MD was almost identical to those used in both the UH-1H and the AH-1J, Korean Air purchased the 500-MD battery for seven times the cost of similar helicopter batteries. These excessive parts costs were not limited to the batteries alone.

OPC (Oriental Precision Company) has the most experience of any company in supplying military communications equipment. In 1982, they supplied some 240 pieces of communications equipment worth 2.6 million dollars, advertising that this equipment was developed 100 percent through their own technology. Two years later in 1984, parts broke down on 52 sets of that equipment, and the military requested that the company supply parts. However, the parts used in making these radios by OPC were not parts which they developed, instead they were parts which had the OPC label affixed to them after being imported. Thus OPC was unable to responded to the military's request to supply parts in a timely manner.

The government invested a considerable amount of funds in the creation of a defense industry park. However, because of competitiveness and face-saving among the companies accompanied by an insufficient exchange of information, the intent and benefits of the park did not materialize.

Toward the mid-1980s, Hyundai Precision Industries [HPI] contracted with Germany's Weberston [as published] for preheaters used on the Type-88 tanks at a unit price of 3 million won. It was later revealed that these preheaters were the same preheaters which a company located in the vicinity of HPI, Tonghan Industries, was producing and exporting at a unit cost of 730,000 won. HPI was reimporting from Germany at a unit price of 3 million won goods which were originally supplied to Germany by a neighboring company at a cost of 730,000 won.

Although this serves as an example of how defense industry information is not exchanged even among neighbors, the reality was that from HPI's position, they basically had to purchase the goods from Germany. The reason is because there is no certified quality control agency in Korea who can guarantee the quality of domestically-produced goods such as those made by Tonghan Industries. Neither ADD nor the Quality Inspection Office performs this job for companies.

Even if a company is able to develop a new product or improve old standards to newer standards and recommend this to the military, the military will not evaluate it.

There is no means by which any single office can take sole responsibility for evaluating a product. Thus, they push the responsibility off on each other, while an otherwise reasonable proposal by a company will wait for several years of administrative handling time before eventually disappearing. Our nation's defense industry is only developing as fast as our testing and evaluation capabilities.

Importing More Profitable Than Direct Production

For all defense companies, the ratio of indirect costs and profits is estimated as being around 200 percent that of direct costs. (In the instances of knockdown production, direct costs are the same as the unit cost of that item.) Cost officials at the DPA determine the company's indirect costs and profits by multiplying confirmed direct costs by two. If HPI's profit ratio is 200 percent, for instance, when they purchase preheaters from Tonghan Industries at a unit price of 730,000 won, their profit would be 1.46 million won. On the other hand, if they had purchased the same preheater from Germany at the price of 3 million won, their profit would be 6 million won. That is an extraordinary difference in profits.

Furthermore, in order to purchase domestically produced goods, enormous effort is required in price calculation and quality inspection, necessitating an exorbitant amount of administration and paperwork. On the other hand, all that is needed if the same equipment is imported from Germany is the one single request document which is received from there. Importation is like an indulgence for companies. Accordingly, the more parts a defense company imports, the more profits they enjoy and the more convenient it is.

The fact that it has been impossible for our defense industry administration to solve the structural problems of the defense industry is because even the execution of simple, everyday administration has become exhausting. In the mid 1980s, a certain defense supplier received a request from the government to supply 2,400 rocket shells within 80 days. The government in the meantime had consumed 180 days in the administrative process for the order.

Another company received a request for 2,500 high-explosive fuses to be delivered within six days. In this instance, the government spent 290 days in the administrative process. Yet another company received an order to deliver 250 rounds of heavy-duty cartridges within 29 days, an order on which the government wasted 200 days in administration.

Production With Imported Technology—Nothing but Costly

Normally, companies required three to ten times more time than the government had requested in order to deliver the goods. In order to make the time limit, companies sometimes had to work throughout the night. In such haste, the rate of inferior products cannot but rise. This is also another type of budgetary waste.

Following this, the government began to provide companies with reports of anticipated requirements for quantities of goods by type. These reports from the administration did not immediately gain credibility among companies, and were thus virtually ignored.

The unit price of a GRC-series radio is 750,000 won. The government reported that it needed 3,250 such radios. The company produced these radios together with the previous fiscal year's production. However, when the time came the government only purchased 400, with the company suffering losses of around 5 billion won.

A 1.25-ton military truck costs 13 million won. The government reported to the company that they would need 1,400 such trucks. In reality, however, the government ordered 2,100. The difference was 8.4 billion won. The unit price for a VRC-series radio is 4.3 million won. The government reported that they required 750 of these radios; however, they did not purchase a single one. In this instance, the company suffered a 3.3 billion-won loss.

What becomes clear in these examples is that the loss of credibility by the government administration is not necessarily derived from improprieties or laziness on the part of public officials but is instead more dependent on the officials' capabilities within their particular field.

Domestic production using imported technology is one method of purchase which would allow our military to ameliorate these various difficulties for the time being. Such production, however, has only resulted in a several-fold increase in direct purchase costs of the equipment (obtained from overseas); it is failing to achieve any results in obtaining technology.

Domestic development of equipment cannot be achieved in the two to five years which our military demands. This is all the more true of modern state-of-the-art equipment which even advanced countries take 10 to 20 years to develop. Thus domestic development and production of equipment using imported technology cannot be an alternative to fulfill the short-term requirements of the military. They can only be justified as a means by which to fulfill long-term requirements (10 to 20 years).

There has been a recent increase in the number of countries selling goods on the international defense market. Concurrently, there has been a decrease in the requirements of those countries purchasing weapons. Thus the market is transforming from a sellers to buyers market, an international defense market where the buyer is king.

Amidst such a trend, our defense companies will either have these markets stolen away by advanced countries, or they will fail to make inroads at all, having been so far unable to successfully accumulate technology. We are at a point where we must change our vague and ambiguous goal which up to now has been "expanding our defense industry base" into a more distinct and clear objective. It will not be easy to propose the path that our defense industry needs to follow. All that is clear is that an elite group of individuals with professional expertise and quick-sightedness must drive defense industry policy. The best leadership is not that which is exercised through micro-management; rather, it relies upon culture and values as means of control. Administrative leadership of the entirety of the defense and manufacturing industry must begin by working to instill a corporate culture aimed at improving quality control and productivity.

Part 2—Interview With Chi Man-won

A Suggestion for Improvement, Not an Exposure

As soon as I met Sin Man-won, who cautiously assented to an interview, he emphasized, "I wrote this book hoping to say that the system must be improved. It was not intended to expose any specific facts." He repeatedly emphasized this on several occasions throughout the interview. Since his response to my first question was too long, I broke it down into three or four different questions. However, while saying that he would answer all the questions at once, he wrote them down on a piece of paper and continued to speak.

"It is true that some inefficient waste is part and parcel to the military. However, the problem lies not in the personalities of those within the system but rather in the 'system' itself.

"The reason for the creation of a defense industry park was economic in nature. The only result has been an improvement in maintaining security; the system itself remains a mess. Because of competition among companies, redundant investment is made in expensive equipment, and equipment that is actually needed does not exist. Since there is no exchange of information between companies, as seen in the example of the preheater for the Type-88 tank, parts for the Nike Hercules missile system were purchased at some 20 times their price, infuriating the defense minister.

"Such examples result from defects in the system and incompetency of the personnel in that system, not because any of these people are ill-intentioned. It is easy when looking at such a problematic phenomenon to view it in black-and-white terms and simply call for a change of personnel. However, that is no way to solve the problem. Our only hope is to change the system. The system definitely must be improved.

"The shortcomings of the systematic approach have been quite evident in public administration. The auditing approach lacks any applicability to on-the-spot situations. Not only that, but I sometimes worry that an administration centered on perpetual paperwork will develop since auditing personnel lack any concept of the systems.

"Naturally, the professionalization of public officials surfaces as an important task. The concept of professionalized manpower is where a distinction is made between a minority of technical administrators and a majority of regular personnel. The product quality culture of the United States and Japan has many things to show us. At this time we are in need of new leadership. This is not an issue which calls for an appeal to the public authorities or the law. Rather, we need leadership which is guided by ideas consistent with our national values.

"The need for this is not limited only to the military; it is a problem which is spread throughout the government. It would be good if the management analysis system which has been and is being employed in the military for the past few years was implemented in other administrative offices as well. Through systems analysis, government policy must provide a course for leadership and government administration."

[Yu] You explained in your book that the EPB and BAI can intervene in both the formation and execution of the national defense budget. Has there ever been an actual incident where the BAI intervened and pointed out a problem area?

[Chi Man-won] "There has been no such case. Although operations maintenance costs of the defense budget are an area subject to auditing by BAI, the military maintains total authority over the costs of the FIP. Problems in the FIP are entirely the military's responsibility."

[Yu] Taking an overall look at the Yulgok Program, how much do you calculate has been wasted?

[Chi] "Calculation itself is altogether impossible. In the case of the artillery weapon, the DPA estimated the cost to be 200 million won. Nobody, however, can prove whether this is an appropriate price, since there is no cost accounting system. Naturally, then, it becomes impossible to even calculate the amount of waste."

Budgetary Reform Marking Time

[Yu] You were really pessimistic concerning the future of the defense industry and level of technology. . .

[Chi] "Our defense companies have been safely and effortlessly making money, but have not invested at all in areas such as antipollution equipment, test facilities, or science and technology manpower. Subsequently, no matter how amicable the United States is in technology transfer, we have limits in our ability to absorb that technology.

"As the world's defense market is shrinking, it is impossible to compete while not even possessing technology. On the other hand, there is one positive point in that overseas defense companies that face bankruptcy as a result of the depression can be acquired at a more inexpensive price. The problem is we do not even know what kind of technology we want."

[Yu] Have instances of waste by logistics units ever been exposed within the MND?

[Chi] "Every so often inspections are conducted by specially appointed inspection teams. Routinely, they have inspected by using either furtively acquired information or through a confirmed list of items. However, since the mid-1980s, they have begun relatively technical inspections with the assistance of science and technology experts such as those from the Quality Inspection Office. However, they have been enthusiastic only in discovering new instances of waste. They have not been disposed towards calling for change."

In his book, Chi Man-won has dedicated one section to the next- generation fighter program (KFP). He advocates the direct purchase of F-16s from the United States if the requirement for fighter aircraft within our air force is urgent. This is because production with imported technology lacks effectiveness according to Chi. If development of the aerospace industry is our first priority, however, then we should abandon the F-16 and instead choose an aircraft from another country. His attitude is somewhat different than it was a year ago. When the FA-18 was chosen as the next- generation fighter, he advocated to the MND and to the press that it be changed to the F-16. He was even suspected by some of being a lobbyist for the F-16.

[Yu] Have you changed your thoughts on preferring the F-16?

[Chi] "That is not the case. I oppose importing U.S. aircraft since the United States is not forthcoming with technology."

[Yu] If so, why didn't you make this claim last year?

[Chi] "At the time, Europe was not a viable alternative source, so as long as we had to purchase a U.S. aircraft, I was just saying that the F-16 would be better. The current trainer aircraft technical assistance plan proposed by General Dynamics is virtually subterfuge. Bearing in mind that the world's defense industry market is shrinking, the need for dealing with Europe becomes even greater."

[Yu] Considering our relationship with the United States, do you really believe it possible to turn to Europe as a source for our jet fighters?

[Chi] "In choosing a source of weapons, there are both political decisions and rational decisions. Political decisions depend on the will of state leaders.

Defense Companies Have Never Gone Bankrupt

[Yu] What about instances of defense companies going bankrupt?

[Chi] "There have been none. Although the companies always insist that they are suffering losses, there has been no case of bankruptcy. Even the evil practices of the cost adjusting system have served their role in preventing bankruptcies."

[Yu] While it is true that cost personnel of the DPA are frustrated by an overwhelming burden of work, isn't it also a problem which won't be solved simply by increasing manpower?

[Chi] "Agencies such as the DPA must be transformed into organizations consisting of a small number of elite members. Since U.S. companies make effective use of personnel, they are able to efficiently conduct business even without a large number of people. There is an overwhelming amount of work at the JCS as well. They must perform system analysis which is able to determine the appropriate amount of work for one person."

[Yu] You have maintained that when North-South Korean force reductions are pursued, an appropriate level of forces would be 300,000 each. There are some indications coming out recently concerning post-unification national defense strategy that taking into consideration peripheral superpowers (Japan, China, and the Soviet Union), an excessive arms reduction is not desirable.

[Chi] "Even after unification, a force of 300,000 would be sufficient. If we unify, our per capita income will likely drop because of North Korea's economic situation. If Japan, for example, had maintained a force level of 1 million troops, they would not have been able to achieve the modernization of equipment which they now have. As the Gulf War attested, we are at a point in time where we must focus on weapons systems more than manpower. However, the fact that our military maintains an infantry culture with no concept of 'management' continues to be a problem."

Agriculture Group Opposes Rice Market Opening

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[Recommendations by the National Agricultural Cooperative Federation (NACF) to the government in opposition to opening the rice market.]

[Text] We have consistently maintained that the government should never open the rice market and other key food items nor cut subsidies to farmers during Uruguay Round negotiations on food security and protection of the environment.

Against our contention, however, participants in the multilateral talks are moving to deny recognition of non-trade concerns without exception in the ongoing talks being held in Geneva.

We are faced with a serious threat to our lifestyle as farm exporting countries insist on opening our country's rice market.

Rice farming has played a very important role as it contributes to the protection of our land and water resources.

Furthermore, it is widely known that rice is key food grain of our people and has been for thousands of years and is very much ingrained in our tradition and culture.

In addition, 85 percent of all farm households cultivate rice as their main crop and more than half of all farm income comes from rice.

Rice is also closely linked with the livelihood of farmers in the fact that it tops other crop items in terms of production, arable land used and production value.

In view of non-trade concerns such as food security, protection of the environment, green space provisions, balanced regional development and employment, we strongly oppose the opening of the domestic rice market. This is the firm position of our 7 million farmers.

First, the government should utilize all diplomatic avenues to deter the opening of the rice market nor allow minimum access of foreign rice.

When rice is excluded, the nation's food grain sufficiency ratio is merely 10 percent and there is uncertainty in the supply of food grains due to the unusual weather changes, use of food grains as weapons by exporter nations and international political and economic changes.

In this context, the people hold the same feeling that rice should be supplied by our farmers only.

Consequently, we urge the government to oppose vehemently the opening of the rice market in the Uruguay Round negotiations.

Second, the government should expand its investment in and carry out policies to sharpen the competitiveness of the nation's agriculture sector.

As a result of manufacturing oriented policies at the expense of agriculture so far, the rural community has been ravaged and its production base has been severely damaged.

In preparation for the wider opening of other farm markets, the government should efficiently speed up its agriculural restructuring program now under way and increase investment in agriculture, in particular in technological renovation.

Third, the government should strengthen its support to farm organizations as one effective measure to cope with wider opening of the domestic market.

The role of these organizations is more important than at any other time before.

Meanwhile, a senior negotiator of the Agriculture, Forestry and Fisheries Ministry, flatly rejected the proposal to be made by Arthur Dunkel, director general at the GATT, underlining the inclusion of non-trade concerns, such as rice, in the market opening list.

—72 percent of costs of gun repair parts dependent on imports.
—Project to localize weapons and localization rates merely superficial.

Division Goods Total 25 to 30 Billion Won

A former ROK Army [ROKA] colonel has been drawing attention as the author of a book criticizing the wastefulness of the national defense budget and defense industries, areas which until now had been considered sacred. Chi Man-won,(age 49), who has a doctorate in business administration, has pointed out in his book *Where Must the Korean Military Head?* the structural problems inherent in logistics, weapons imports, defense material, the contracting system, and defense industry administration, which have inevitably led to extraordinary waste in the defense budget.

Chi is a member of the 22d Class of the ROKA Military Academy. After receiving a degree from the U.S. Naval Postgraduate School, he handled primarily budget and logistics problems while serving as a researcher-in-charge at the Korea Institute for Defense Analysis [KIDA]. He is known as the individual whose extensive presentation of shortcomings in the budget management of frontline units caused the minister of national defense to resolve to conduct budgetary reform.

This book is significant in that it is the first in-depth analysis of waste in the defense budget by an insider.

WOLGAN CHOSON, after introducing the current state of budgetary waste to which Chi Man-won's book points, also has included an interview with Chi.

Part 1: National Defense Budgetary Waste

You Must Acquire Large Amounts of Munitions To Be a Capable Commander

For a long time under the U.S. military aid program, Korean military leaders believed that obtaining as much material from the United States as possible and supplying these, as though they were relief goods, to subordinate units was the total extent of national defense management. To them, logistics material was something that was obtained on a first come, first served basis before someone else grabbed it. After having acquired it, these materials were handled as though they were as free as air or water.

Up until the mid-1980's, soldiers who handled expensive precision equipment felt no sense of ownership. Expensive night vision equipment for seeing long distances at night was imported and distributed to troops at the front line. However, as no training on the handling of the equipment was provided, troops violated many restrictions on the use of the equipment. The equipment broke, and key parts with the highest value added price had to be swapped before the equipment had been used even once.

Expensive computer tomography (CT) equipment was haphazardly imported as well. No one could operate this equipment, nor was there any air conditioning or uninterrupted power supply for it. After it was acquired, it took three years for the CT equipment to be installed and become operational.

Up until the first half of the 1980's, our country's division commanders had no way of knowing how much defense resources (funds plus materials) their divisions used each year. They regarded the 500 to 600 million won which they received for building repairs and partial administrative operating expenses as all of their division's budget. The results of a survey sampling forward-area divisions in 1984 revealed that a single division was using some 2.5 to 3 billion won in resources annually.

A division commander who acquired a large amount of logistical materials was regarded as having political backing. When these division commanders were asked who was administratively in charge of this 3 billion won, no one took responsibility. These operating maintenance expenses, 70 percent of the defense budget, were being spent by the end-user unit; however, there was no sense of cost consciousness or responsibility among these units.

The need for professional expertise even for state-of-the-art defense equipment imports was denied. This was because of a military mindset geared toward increasing the number of combat personnel while limiting the number of those in administration. In 1986, though the self-propelled artillery project was a large-scale project totaling some 380 billion won, it was administered by one lieutenant colonel who had been transferred from the front line.

Minister Yun Song-min's Reform and Opposition to It

In 1983 then-Minister of National Defense Yun Song-min used the expression "Samgukji Administration" when referring to this defense administration. Yun directly managed a program of budgetary reform based on the results of research by experts over the previous four years. At the time, many defense staff officers put up invisible resistance to the reform program; however, his commitment to reform was only strengthened.

Administrators-in-charge were named for each piece of military equipment. Each division-level unit established a resource management staff element, and divisions competed to curtail expenses. Thus, a kind of revolution in thinking was launched.

Minister Yun also focused his attention on the importance of management in the Force Improvement Program [FIP]. There were many problems with the program at the time. Important and difficult tasks were dispersed and ended in a dead zone between the Agency for Defense Development [ADD], Defense Procurement Agency [DPA], Quality Inspection Office, and Defense Industry Bureau. On the other hand, duplication of easy tasks was being done between the offices.

He commented that Dunkel's proposal is a dangerous idea allegedly designed to "break the agricultural negotiations rather than to successfully end the multilateral talks."

Dunkel is reported to have suggested a framework on agricultural negotiations emphasizing tariffication of all farm products without exception in market access. He is scheduled to submit the framework to the negotiators late this month or early in November in Geneva, according to ministry officials attending the recent talks in Geneva.

The negotiator emphasized "a considerable number of contracting parties clearly know that exceptions to tariffication is in the vital interest of the negotiations."

Opposition Calls for Setting Election Dates

SK1110105991 Seoul YONHAP in English 0726 GMT 11 Oct 91

[Text] Seoul, Oct. 11 (YONHAP)—The opposition Democratic Party Friday urged President No Tae-u to set the dates for next year's presidential, gubernatorial, mayoral and general elections.

The government and its party wanted to hold the presidential election first so the incumbent governors and mayors, all of whom were appointed by No, could "handle" it, party spokesman No Mu-hyun said.

On Thursday, Prime Minister Chong Won-sik said the government needed to study the question further. Rep. Chong Sun-tuk of the ruling Democratic Liberal Party (DLP) had asked him whether the government was willing to reconsider holding all four elections in the same year.

The government was legally bound to hold them all in 1992 because it was agreed on by the ruling and opposition parties, and any changes would subvert local autonomy and show the hollowness of No's promise to introduce democracy, No said.

He repeated the party's proposal that local and general elections be held at the same time.

Kang Yong-sik, the prime minister's secretary-general, said Chong had talked of the possibility of the government revising election schedules in the long-run. "It is not that he meant to reconsider next year's political timetable," Kang said.

DLP whip Kim Chong-ho said there had been no discussion about the political schedule between the ruling party and the government.

There are calls in certain quarters of the ruling party for one or two of the elections to be postponed from next year because of the burden on the economy.

Simultaneous Elections Urged

SK1010130691 Seoul YONHAP in English 0933 GMT 10 Oct 91

[Text] Seoul, Oct. 10 (YONHAP)—Opposition leader Kim Tae-chung, co-chairman of the Democratic Party, said Thursday that next year's general and gubernatorial elections should be held simultaneouly to avert a drain on the nation's wealth.

A presidential candidate would be chosen democratically in an open competition and he was ready to concede the nomination to prevent a party breakup due to disharmony between presidential hopefuls, Kim told a meeting of senior broadcasters.

Asked whether incumbent lawmakers would be put up in the next general elections, he said he had "great respect" for them. This is taken as a hint that those who were elected by proportional representation may be dropped from the party slate.

Kim said he hoped the political fund law would be revised in time for the opposition to benefit from government money and that the election law would be changed to guarantee public management of the polls.

Kim called on voters to launch a campaign to dispel regional rivalry through the exercise of their voting rights because, he said, the government was unlikely to handle this political hot potato.

Brunei, Malaysia, & Singapore

Malaysia

Indonesian Foreign Minister Alatas Visits

BK1010113291 Kuala Lumpur Voice of Malaysia in English 0800 GMT 10 Oct 91

[Text] Malaysia and Indonesia have expressed the common view that the existing bilateral cooperation between the two countries needed to be strenghthened and widened to upgrade the standard of living of their peoples. Both countries saw the Malaysia-Indonesia joint commission set up this year as a forum that could lead in that direction.

The sentiment was expressed by Foreign Minister Datuk Abdullah Ahmad Badawi to his Indonesian counterpart Ali Alatas in the opening remark at the first meeting of the ministerial level joint commission in Kuala Lumpur.

The two-day meeting will discuss all aspects of bilateral cooperation. Datuk Abdullah said the setting up of the commission brought a new phase to the efforts of both nations to further upgrade close bilateral relations besides indentifying new avenues for cooperation.

Mr. Alatas said the joint commission was not only to promote friendly relations between the two peoples and countries, but more importantly, to look for ways to upgrade friendship in the wider interests of both countries.

Urges 'Special Relationship'

BK1110015491 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Oct 91

[Text] Indonesia and Malaysia have had a strong foundation for enhancing mutually advantageous cooperation since the two countries signed a treaty of friendship in 1959 and renewed it in 1970. Foreign Minister Ali Alatas said this in a speech at the opening of the first meeting of the Indonesia-Malaysia Joint Commission in Kuala Lumpur yesterday. He said the two countries have handled many problems and reached at least four agreements, including agreements on the continental shelf, immigration, extradition, and cooperation in the field of education.

On the ocassion Minister Ali Alatas also stressed the need for the two countries to establish a special relationship, a relationship that is not based merely on universally accepted diplomatic norms. Thus, the two countries have no other alternative but to cooperate as closely as possible for mutual benefit.

The dispute over Sipadan and Ligitan Islands is among the problems being discussed at a two-day meeting of the Indonesia-Malaysia Joint Commission.

Seeks Help Extinguishing Fires

BK1110100191 Singapore THE STRAITS TIMES in English 11 Oct 91 p 1

[By Jakarta correspondent Paul Jacob]

[Text] Jakarta—Indonesia yesterday asked developed countries to match words with deeds by providing equipment and training to help put out forest fires that are raging in Kalimantan and Sumatra.

The fires, which have destroyed more than 50,000 ha of Indonesian rainforests, are the cause of the smokey haze that has shrouded Malaysia, Singapore, Brunei and southern Thailand since mid-August, reducing visibility and disrupting air and sea traffic in some countries.

Jakarta's plea for outside help came as Malaysia yesterday urged ASEAN nations to hold an emergency meeting soon to map out joint action to clear the worsening haze.

Malaysian Minister of Science, Technology and Environment Mr Law Hieng Ding said that Kuala Lumpur would ask Singapore, chairman of the ASEAN working committee on trans-boundary pollution, to convene the meeting to seek more information from Indonesia on the fires.

In Singapore, an Environment Ministry spokesman told SBC [Singapore Broadcasting Corporation] last night that it was working with Malaysia on how to address the haze, which observers said was the worst in recent memory.

The spokesman said that putting out the fire needed specialised skills which environmental officials in the region did not have.

Indonesian authorities said the thick haze over the region was unlikely to lift until the end of the month.

Environment Minister Ahmad Mattar also raised the issue when he met the visiting Indonesian Minister of Justice Ismail Salleh in Singapore yesterday morning.

Indonesian Forestry Minister Hasjrul Harahap told a news conference here yesterday that Jakarta had received no serious response so far to several requests for help, made on his visits to the US, Canada and other Western countries.

Britain's High Commissioner in Malaysia, Mr Adrian Thorpe, had said that his country and other Western nations would help if asked by Indonesia.

ANTARA news agency yesterday reported that Finland, which has previously supplied fire-fighting equipment and provided training, was the only country so far to have given some kind of assistance in forestry protection.

A government official said Japan's International Cooperation Agency, which has an experimental station in the Bukit Suharto area, had offered help to fight the fires there.

Some 300 people in Kalimantan, mostly local residents and soldiers, have been fighting the fires day and night by spraying water over smouldering ground.

Officials said a prolonged drought was a major reason for the fires, which had been aggravated by easily ignited, coal deposits in eastern Kalimantan's Bukit Suharto forest reserve—the worst hit area.

In central Kalimantan, peat deposits floating in the mangrove swamps have also made it more difficult to tackle the fires through conventional methods. Indonesia's 143 million ha rainforests are the second biggest in the world after Brazil's.

Poor visibility has caused airports to shut down or reduce their operating periods. As many as 50 Indonesian domestic flights had been cancelled in the past two weeks because of smoke hanging over much of Kalimantan and Sumatra. The airport in Jambi, in Sumatra, was reported to have not had a landing in 20 days. Sea transportation has also been affected.

In Malaysia, Singapore, Indonesia and parts of Thailand and the Philippines, extra precautions are needed to navigate ports in the daytime, motorists have to use headlights at noon, and hospitals are reporting an increase in eye and respiratory ailments.

Officials said this had also hampered plans to bring in equipment to affected areas.

Efforts to combat the fires have so far centred on mobilising manpower, equipment and facilities from in and around the affected regions.

Officials are calling for more concerted and integrated efforts between neighbouring provinces.

Dr Thamrin Nurdin, special assistant to State Minister for Population and Environment Emil Salim, said that firefighting efforts by provincial officials, armed forces personnel and volunteers had been able to control the spread of the fires in East Kalimantan.

Much smoke, however, still remained in the upper reaches of the atmosphere. "What we now need is rain," he said.

One official said that cloud seeding to cause rain was being considered.

Indonesia had not called for immediate foreign assistance at the outbreak of the Kalimantan fires "because we believed it could be managed", he said. "There was the expectation of rain in October."

Environmentalists charge that excessive logging has stripped the land and exposed the coal deposits, which combust more easily when subjected to heat and sunlight.

They also said that the authorities lacked not only the expertise and equipment to tackle reulting fires, but also did not have accurate enough data on the extent of the coal deposits and the depth of the peat in the swamps.

Criticizes West for Ignoring Appeals

BK1110143691 Kuala Lumpur Radio Malaysia Network in English 1330 GMT 11 Oct 91

[Text] Indonesia lashed out at Western nations for ignoring appeals to help combat its forest fires which have created thick blankets of haze enveloping several parts of Southeast Asia.

Its foreign minister, Ali Alatas, criticised Western nations for being very quick at campaigning against logging but doing nothing to offer assistance in fighting the forest fires.

Speaking to newsmen at the end of the five-day Malaysia-Indonesia Joint Commission meeting in Kuala Lumpur, said that Indonesia had asked Western nations for training and equipment in fighting the raging forest fires but so far none had responded.

He said he fully concurred with Datuk Sri Dr. Mahathir Mohamed's criticism of the West on this score.

The Malaysian prime minister had on Monday said while the Western world griped over the alleged uncontrolled felling of tropical timber, to the extent of threatening to boycott timber exports, there was not a squeak about the forest fires now plaguing the region.

Defense Minister Meets Singapore Counterpart

Discusses Island Dispute

BK1110064891 Kuala Lumpur Voice of Malaysia in English 0600 GMT 11 Oct 91

[Text] Malaysia and Singapore have agreed that the issue of the disputed Batu Putih [Pedra Branca] island is to be pursued by their foreign ministers. The defense ministers of the two countries, Datuk Sri Najib Tun Razak and Dr. Yeo Ning Hong, touched on the disputed island briefly at their meeting in Kuala Lumpur this morning.

Dr. Yeo later told a news conference that the foreign ministers would meet to exchange documents and evidence to resolve the matter. Datuk Sri Najib told newsmen that a bilateral land and sea exercise between Malaysia and Singapore would begin early next year.

Notes Continuing Cooperation

BK1110150991 Singapore Singapore Broadcasting Corporation in English 1400 GMT 11 Oct 91

[Text] The Malaysian defense minister, Datuk Sri Najib Tun Razak, says Malaysia and Singapore are to continue their bilateral defense cooperation. AFP [AGENCE FRANCE-PRESSE] quoted Datuk Sri Najib as saying that defense cooperation on a trilateral basis would at this time not [words indistinct]. He was responding to a question whether to include Indonesia in joint military exercises conducted by Malaysia and Singapore.

Datuk Sri Najib was speaking after talks with his Singapore counterpart Dr. Yeo Ning Hong in Kuala Lumpur. Datuk Sri Najib added that Malaysia had agreed to hold joint air and naval exercises with Singapore early next year to enhance bilateral defense ties. Dr. Yeo, on his part, said he had [word indistinct] officials to work out the type of exercises and the schedule. He said Singapore would like to see the (?strong) and close cooperation continue. The two men also said to have agreed that the issue of who owns the [words indistinct] should be discussed at the foreign minister's level.

Cambodia

Hun Sen Thanks Sihanouk for Contribution

BK1110132591 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 1300 GMT 11 Oct 91

["Message from Comrade Hun Sen, prime minister of the State of Cambodia and member of the Supreme National Council of Cambodia, to Samdech Norodom Sihanouk"—read by announcer]

[Text] Esteemed samdech:

I am greatly honored to have received a sum of 2,150 French francs, which is the aid of our generous compatriots in France.

I have already given this sum of money to the committee in charge of the reception of aid for flood victims.

In the name of the compatriots who have been victimized by floods, I would like to express thanks to our compatriots in France for their generosity.

Please, esteemed samdech, accept my highest regards.

[Dated] Phnom Penh, 11 October 1991

[Signed] Hun Sen, prime minister of the State of Cambodia and member of the Supreme National Council of Cambodia.

Long Visalo, Japanese Group Sign Aid Agreement

BK1010062891 Phnom Penh SPK in French 0423 GMT 10 Oct 91

[Text] Phnom Penh 10 Oct (SPK)—The Ministry of Foreign Affairs of the State of Cambodia and the Japanese non-governmental organization CCC (Cambodian Culture Club) have just signed an agreement on enhancing the Cambodian culture and cooperating in successfully implementing the aid program. The agreement was signed by Long Visalo, deputy foreign minister, and Bopha Yamada, chairman of the CCC. By virtue of the agreement, the Cambodian Culture Club will each year contribute 70,000 to 80,000 U.S. dollars to Cambodia's cultural and health services and Cambodian orphans.

Resistance Troops Surrender in Kompong Speu

BK1110051691 Phnom Penh SPK in English 0413 GMT 11 Oct 91

[Text] Phnom Penh SPK October 11—Three hundred and eighty four opposition troops broke their ranks and reported themselves to the authorities of Kompong Speu Province during the first nine months.

The troops, who belonged to divisions 305 and 18 of the Pol Pot faction, surrendered 199 guns and a quantity of other hardware. The biggest number of returnees were registered in the districts of Bar Set, Kong Pisei and Phnom Sruoch.

The province also received 260 such people with 181 guns during the same period last year.

Khmer Rouge Reject UN Refugee Repatriation Plan

BK1110014191 Bangkok BANGKOK POST in English 11 Oct 91 p 8

[Text] Khmer Rouge guerrillas said yesterday they had rejected a United Nations repatriation scheme for refugees in favour of their own repatriation plans.

Khmer Rouge sources said they were currently preparing land, schools and accommodation for the new arrivals.

The source said the 16 Khmer Rouge administrators at the group's Site 8 camp were replaced last month by a five-man military- dominated team because they had agreed to the UN repatriation plan.

The move has sparked fears the guerrillas will force refugees to return to their zone of control in northwestern Cambodia.

The Khmer Rouge is believed to want to keep control of the refugees they currently administer in order to maintain a civilian base in the run-up to elections which are part of the peace plan ending almost 13 years of war in Cambodia.

The Khmer Rouge has earmarked three potential resettlement areas in their zone in Battambang province for refugees from Site 8, a relief official said.

The new administrators at Site 8 are said to have told refugees there they would begin repatriating them soon, possibly in November.

The Khmer Rouge administers about 71,500 refugees in three UN- assisted camps just inside Thailand. Site 8, with about 43,000, is the largest.

Relief officials said many people in the camps wanted to return to Cambodia under the UN plan rather than the Khmer Rouge scheme because they had not forgotten the guerrillas' bloody reputation.

"Many people in Site 8 and the other Khmer Rouge camps have approached our staff and are stressing clearly their will to go back with the UN and not to go back any other way," an official of the UN Border Relief Operation (UNBRO) said.

"We are continuing to insist that the old Site 8 administration be returned and that people should not be in any way be forced to go back," said the UNBRO official.

The Khmer Rouge forced about 4,000 refugees back into Cambodia from Thailand's Borai camp in January 1990.

The UN plan for the return of the 340,000 Cambodians living in six guerrilla-administered, UN-assisted camps along the border is now under way.

The refugees will be trucked across the border to six reception centres located in areas controlled by the Phnom Penh govenrment. They will then go to newly prepared land where they will be supplied with rice, farming equipment and other basic supplies for about one year.

Officials from another guerrilla group, the non-communist Khmer People's National Liberation Front (KPNLF), which controls a small zone in northwestern Cambodia, said the UN repatriation plan was unfair because the reception centres were in Phnom Penh government territory.

Commentary on SRV Desire To 'Swallow' Nation

BK1110033991 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 10 Oct 91

[Station commentary: "We Are Prepared To Effectively and Correctly Implement an Overall Agreement To Set Our Cambodia Free from Vietnamese Invasion and Occupation"]

[Text] The settlement of the Vietnamese war of aggression against Cambodia has already been achieved with the arduous and tenacious struggle of our nation and people for almost 13 years and the support and assistance of the international community. An agreement on all the important issues for a comprehensive political settlement of the Vietnamese war will soon be signed on 23 October. By all accounts, our Cambodia, which has been under the Vietnamese aggressors' occupation for more than 12 years, is already freed internationally. There is an agreement to demand Vietnam to remove all its aggressor troops from Cambodia to enable Cambodians to decide on their own destiny. However, the concrete implementation of the agreement would be difficult and complicated.

As our nation and people are aware, Vietnam has not yet given up on its ambition to swallow Cambodia and incorporate it into its Indochinese federation. In fact, presently, the Vietnamese continue to hide their invading forces in Cambodia under all guises including Vietnamese citizens and spies. They are currently rounding up our people's chidren and sending them to be intoxicated with the Indochinese federation strategy, as they did to the Khmer Viet Minh. This is so that they can be used to harass and carry out sabotage to split Cambodia's inner circle and gain the opportunity to swallow Cambodia again.

Faced with this, it is imperative that every Cambodian continues to unite at all times under the great national union. This is to promote, at present, the implementation of the agreement on an overall solution, to join forces in the future to build our Cambodia, and to defend its survival for the generations to come. We should enhance the great national union around the Supreme National Council [SNC] chaired by Samdech Norodom Sihanouk without discrimination against white, black, blue, or red or any past, and without denigrating or quarreling among ourselves. There are only Cambodians. They have joined forces to liberate the country from the Vietnamese aggressors and occupiers. We are cooperating to uncover Vietnamese forces hiding in our villages and communes, dismantling the remaining Vietnamese administrative networks in villages, communes, and districts and replacing them with national councils under the auspices of the Samdech Norodom Sihanouk-headed SNC. Nationwide, we have implemented the work of destroying two, creating four and the three dont's and three do's policy through the three methods zealously.

Only by effectively fulfilling the tasks can we enhance the implementation of the agreement for ending the over-12-year Vietnamese war of aggression and occupation of Cambodia. Then will our nation be totally liberated and will regain peace and independence within its genuine territorial integrity with national solidarity and reconciliation.

SRV Troops Attack Village in Kompong Cham

BK1010051191 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 9 Oct 91

[Text] On 30 September, the Vietnamese aggressors marshalled two 105-mm cannons and sent 1,000 troops from Kompong Cham, Kratie, Prey Veng, and Svay Rieng Provinces to attack our Cambodian national resistance forces at (Tapeang Pring) Village, (Cheda) Commune, Dambe District, Kompong Cham Province to retake the liberated villages in the commune.

During the onslaught, the Vietnamese aggressors murdered many villagers and destroyed their livestock and homes. They arrested, executed, or jailed a number of villagers as well.

This is another gross Vietnamese violation of the ceasefire on top of previous violations in battlefields throughout Cambodia. The Vietnamese aggressors have not paid the least attention to implementing all the agreements because they need to further the war of aggression in Cambodia for the ultimate purpose of swallowing the country and incorporating it into their Indochinese federation.

Our villagers in Dambe District as well as people all over the country believe that in order to crush Vietnam's maneuver of prolonging the war of aggression in Cambodia:

1. The great national union should be promoted and reinforced in order to dismantle the Vietnamese aggressors' administrative networks everywhere, replacing them with village and communal national councils.

2. A UN peacekeeping force with adequate staff members should be dispatched to supervise and control the withdrawal of Vietnamese forces and the general situation in Cambodia.

Only by doing so can tranquility and security be restored to villages and communes, thereby allowing the people to farm and earn and gradually improve their livelihood.

Indonesia

Commander Admits To 'Cases' of Rights Violations

BK1110022991 Jakarta THE JAKARTA POST in English 2 Oct 91 p 1

[By Jacob Herin]

[Text] Dili, East Timor (JP)—A military commander here has admitted that there are still a few cases of human rights violations in East Timor but that the government is stepping up efforts to minimize them.

He said the military and government officials wanted to see justice done in the province.

Brig. Gen. [Brigadier General] R.S. Warouw, commander of the military operation in the province, said that the operation was not designed to defend human rights but to uphold the rights of the East Timor people.

"The operation is launched on the basis of human love and deep understanding to fulfil the demands of the East Timorese," Warouw said.

He said that the territorial operation was also aimed at enhancing the unity of the local people and encouraging the province's youths to participate more in national development.

"The Indonesian Armed Forces (ABRI) are trying to improve the local people's skills and we do this without expecting any reward," Warouw said over the weekend while attending a conference of the Indonesian National Youth Committee (KNPI) at the Mahkota Dili Hotel.

Around 1,000 high school students attended the meeting.

Touching on the visit by a group of Portuguese members of parliament later this month, Warouw said that Portugal's legislators would come to East Timor only as observers and not as investigators.

"I hope that you all will create a conducive situation so that the Portuguese members of parliament can feel safe during their stay here," he added.

East Timor, a former Portuguese colony, was integrated into Indonesia in 1976 after the Portuguese pulled out of the territory following the outbreak of a civil war.

Jakarta severed diplomatic relations with the Lisbon government shortly after the integration of East Timor, now Indonesia's 27th province.

Armed Forces Free 127 Aceh Separatist Rebels

BK1110020091 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 11 Oct 91

[Text] Major General H.R. Pramono, commander of the First Bukit Barisan Military Region Command, has handed over 127 GPK [separatists fighting for an independent Aceh state] detainees, who were released yesterday, to Aceh Deputy Governor Teuku Johan. Speaking during a handing over ceremony at the Aceh Provincial House of Representatives in Lhokseumauwe, the military region commander said they had a low degree of involvement in GPK activities and could subsequently be reeducated to enable them to develop their region after they returned to society.

Based on data from the Military Precinct Command 001/Lilawangsa, a total of 627 GPK detainees have been released since last September.

Laos

U.S. Envoy Reiterates Pledge of Continued Aid

BK1010154091 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Oct 91

[Text] U.S. Charge d'Affaires Charles Salmon, while on an inspection trip to assess the progress of the Lao-U.S. Integrated Rural Development Project implemented over the past two years in the Viang Thong and Houa

Meuang Districts, Houa Phan Province, gave reassurances that the frequent budgetary difficulties experienced by the project would soon be resolved because such problems were only trivial and the project would last for another (?10) years. With more than U.S.$8 million aid pledged by the U.S. Government, the project is aimed at encouraging rural people to to improve their living conditions by switching their professions from carrying out slash-and-burn and poppy cultivation to planting industrial crops and raising livestock. So far, U.S.$2 million has been spent on the project. As for the remainder of the aid budget, the charge d'affaires said that he would try in every way to resolve this problem in the near future so that the project would continue its initial success and achieve its target, which will further strengthen Lao-U.S. solidarity [khuam samakhi] and cooperation on the basis of mutual benefit.

DPRK Envoy Marks Workers' Party Anniversary

BK1010151891 Vientiane Vitthayou Hengsat Radio Network in Lao 1200 GMT 10 Oct 91

[Text] Last night, Chang Yong-chun, DPRK ambassador extraordinary and plenipotentiary to Laos, hosted a gathering at the Mekong Restuarant on the occasion of the 46th founding anniversary of the Workers' Party of Korea [WPK].

Attending the gathering were Deputy Foereign Affairs Minister Thongloun Sisoulit and a number of high-ranking cadres from many ministries and departments at the center. During the gathering, the DPRK ambassador presented a film on the achievements of the DPRK in agriculture, industry, education, public health, and other fields under the leadership of the WPK over the past 40 years.

Philippines

Senators Air Varied Views on Bases Withdrawal

HK1010132491 Quezon City GMA 7 Radio-Television Arts Network in English 1430 GMT 9 Oct 91

[Panel discussion among Senators Juan Ponce Enrile, Heherson Alvarez, John Osmena, and Ernesto Maceda, moderated by program host Louie Beltran on "Straight From the Shoulders" program—live; italicized passages in Tagalog]

[Excerpts] [Beltran] Over the past month, a lot of political observers say that the slogan that is operative in our country is that Malacanang proposes and the Senate disposes. And the rule continues to hold because although the treaty on the Philippine-U.S. military, on the U.S. military bases here, [as heard] has already been rejected by the Philippine Senate, the matter of withdrawal continues to pester the country. A lot of people believe that the withdrawal period should be extended in order to give the country a chance to solve its problems. While those who are true to the law and to the Constitution believe that the U.S. military bases should leave yesterday.

That dispute, together with development in the political scene continues to focus on the upper chamber of the Congress. And with us tonight are four members of the Senate, four of the brightest minds with different directions. Sometimes, with different agenda, and representing four different points of view. We have Senator Heherson Alvarez of LDP [Struggle of the Filipino Democrat]. When you say LDP, you are mentally creature [as heard] hills that salute in the direction of Malacanang, that's supposed to be the operative rule. We have Senator Juan Ponce Enrile, one of the presidential contenders in the Nationalist Party, Senate minority leader, at the same time, one of the brightest legal minds who serve the Constitution, who mandates that the Americans should leave, well not yesterday, but very soon. We have also Senator Ernesto Maceda, developing or has developed into one of the sharpest, brightest, sometimes people call him the most vicious mind in the Senate when they are the victims of his research and investigation. He represents the Party of the Filipino Masses. A lot of people wonder about that. How can Joseph Estrada and Ernie Maceda be on the same intellectual plane? But they're campaigning together and they seem to be together in terms of the Senate action on the withdrawal agreement. We have with us also Senator John Osmena. When they say John Henry, he means John Henry and he is standing by his position that the U.S. military bases are not a blight, but a blessing on the country, and that we should stand up and say so. And that John Osmena also is an expert in things political. He is one of the most wanted vice presidential candidates in opposition to a relative grouping, he should be a president or vice presidential candidate too. We'll bring them back to you right after a few reminders.

[Passage omitted] [Beltran] On the matter of the withdrawal agreement, are you still going to stick by your one year and you want them out by 16 September?

[Enrile] Actually, Louie, that is a solid position, because the agreements including those that terminated already the conceived one year withdrawal, one year of separation. In the case of the mutual defense treaty for instance, it speaks of a one-year notice. If the Americans should give the notice to us, they'll leave in, at the end of one year at the very most.

[Beltran] They can do that. You know a lot of people have been asking about that. And people say: President Aquino should present the notice of termination. But other people are saying: you better do it because Armitage might present the termination notice.

[Enrile] Well, and they can do that. They are within their legal rights to do that. In the case of the military bases agreement of 1947, they could present a one year notice to us and complete the withdrawal at the end of the year. And in the case of the treaty that was rejected by the

Senate on 16 September 1991. I spoke of 10 years, the 10th year being a free rent year because it was arguably according to the Americans, a withdrawal period by them.

[Beltran] Well, you didn't say so in the treaty, I think.

[Enrile] Well I did not say, but that was the agreement that the 10th year is a withdrawal period. And that was signed by both countries. And then Secretary Dick Cheney of the Pentagon of the DOD [Department of Defense] of the United States of America, he stated publicly that they need less than one year to withdraw from the Philippines and so, actually, therefore, both from a contractual, legal viewpoint and from the viewpoint of the official political pronouncements of the officials of the United States of America, responsible officials, there is no question that it is a one-year period.

[Beltran] So you are saying legally, it's a one-year period in terms of the treaty. Don't you ever think of what they are looking for [word indistinct] you know, in one year's time so many people will lose their jobs ...

[Enrile, interrupting] Well, then we should call a spade a spade. You know the Aquino administration spoke of a period of 10 years that was rejected by the Senate. Then they scaled it down to seven years and then later on, when there was a big howl, they called off the seven-year withdrawal period, then they scaled it down to three years. They still call it a withdrawal period. But no matter how you call it, it is an extension of the treaty. If you read the provision of section 25 of article 18 ... [changes thought] and I think we should not toy around with that constitutional provision, otherwise, we might just regret it one day, because that is the source of our guarantees to be free as a people.

[Beltran] Okay, Senator John Osmena, is it an extension, a withdrawal? What do you think about this, this statement of Senator Enrile for example: seven years is an extension; it should be a new treaty, etcetera?

[Osmena] Well, I'm a mechanical engineer by training, Louie, so you're asking for the legal opinion of a mechanical engineer.

[Beltran] That's it.

[Osmena] In any case, I think it is a withdrawal treaty, whether three years can be allowed under the Constitution or not, I do not know. I do know that under that Constitution, our Constitution, any question asked should be elevated to the Supreme Court. And I think that is where that issue really belongs. And so, if Senator Salonga for example, who has maintained an elastic position, [as heard] because Senator Enrile has always been saying one year. But Salonga says two years if ...

[Beltran, interrupting] Tonight he said one year and then one more year.

[Osmena] That's it. So, he's elastic. If you can have two years, why not three? But I didn't say it's one year, then two years, but in any case, whatever opinions we may have and we all respect the opinions of people like Senator Enrile, I think we should bring it to the Supreme Court.

[Beltran] But who will bring it to the Supreme Court? First, you have to [word indistinct] something and then whoever objects, brings it to the Supreme Court.

[Osmena] I guess that is the way it will have to be.

[Beltran] How do you personally feel about this? Do you think the withdrawal period should be longer than one year because of other considerations rather than the legal. You know a lot of people will discern the matter. Legally, they believe one year. *But the period of withdrawal is required* because I don't think we're ready for the withdrawal.

[Osmena] Yes, that's precisely my point. I mean, it is a withdrawal. It is not a unilateral withdrawal. It is a withdrawal from a situation entered into by two parties. And I think that what is convenient and desirable for both parties must be considered in a withdrawal situation. And in this case, certainly, the workers in Subic would be much better off with a three-year withdrawal than by a one-year withdrawal.

[Beltran] [passage omitted] How about Senator Estrada? Senator Maceda, do you think he is doing this for his presidential campaign? He was against the [word indistinct] treaty.

[Maceda] Well, he was one of the earliest to come out against the treaty as early as 1987. As a matter of fact, at that time, what the three of us, including myself, thought that he was engaging in a very negative political approach. Three years later, we found out that a majority of the Senate agrees with him. So those who have been so [word indistinct] to Senator Estrada, that's one answer I'd give to them, that he took a position early which turned out to be right.

[Beltran] You know a lot of people were wondering about that. He needed the kind of intellectual, academic foreign policy [word indistinct] background, to make this kind of a decision. We have these people who were saying. *No, Estrada is a debt captive which is why he did that. The predecessor, you have known him very well, why do you think she is paying this [word indistinct]?*

[Maceda] I think that's truly a nationalistic orientation, based on the fact that, you know, he is in the Filipino movies, which is as nationalistic as you can get in a manner of speaking. But let me say that to be fair to President Aquino, this was probably her biggest setback during her administration, so I can understand, that right after that, the impulsive reaction was to rattle favors, referendum, treaty is not final, 10 years, seven years. You see, there is quite a calm down. So all has not been unproductive, all these discussions with the Senate. Because of late, she has finally accepted that the treaty rejection is effective and final. And of late, she has finally relented and said: no more referendum. So let us flash back a little. Most of the senators, even on the antiside, emphasized that the treaty was one-sided. But that was really what came across to this treaty; capitulation, one-sided, unbalanced, unequal, etcetera. So I guess the executive should take its cue from that. Just see to it that the withdrawal arrangement whether it is a treaty, executive agreement or not ...

[Beltran, interrupting] ...is not one-sided anymore.

[Maceda] And that's why I was insisting on a compromise formula that I floated, that there should be some compensation. If they are going to have three years and, assuming that the last year is the withdrawal period for which the Americans have categorically said, no compensation for the withdrawal year, then there should be some compensation for the first two years. And all the defects that were in the treaty that was rejected, could be covered in this arrangement no matter how short. But to put matters to rest, Malacanang is on the right track when they're consciously trying to get 16 votes; because then, whether it is an executive arrangement, agreement, treaty or not, once you have two-thirds of the Senate in accord, then there is to say the least, as we would say in law, substantial compliance with the Constitution.

[Beltran] Do you think this is not going to be a one-sided withdrawal agreement, considering that the chairman of the withdrawal panel of the Philippine side is Senator [as heard] Manglapus and Senator Manglapus has said the basis for the withdrawal agreement is going to be the treaty which has been rejected.

[Maceda] Well, there seem to be some indications that Malacanang is considering Senate President Salonga's suggestion that maybe some senators should be in the new panel. Now, any change in the panel, I think there were five, so if they at least change two or three and put in some new faces, then, that might suffice. I think it was Senator Pimentel who rightly said that if you want to change Manglapus as chairman of the panel, then you should really press for his removal as secretary of foreign affairs. But really, as soon, as long as he is secretary of foreign affairs, it seems to be the normal thing that he should continue to be the chairman of the withdrawal panel.

[Beltran] How do you personally feel about the withdrawal, your stand? How many years [word indistinct] should it be?

[Maceda] Let me predicate it this way. I have stopped looking at it as a legal or constitutional matter. The treaty is dead. There's no way to resurrect it. The bases are going. Now, I have also detected in my trips to the provinces that there is already a certain amount of treaty fatigue. People are just sick and tired of it. So following that cue, I'm also saying, let's finish this once and for all. And let's not quiver about too many legal or constitutional questions. So Malacanang should make up its mind as to what the package is. Give us an indication of what the Americans are amenable to. And try to get two or three more votes. And that should finish it once and for all.

[Beltran] Senator Alvarez, you know, well more or less, you are aware of the inside track on what's going on as far as the administration group is concerned, on the withdrawal agreement. Just on the perception that they seem to be counting the votes before the agreement is forged, is it a correct perception, or is there already certain agreements in effect?

[Alvarez] When the vote was counted, the decision was made by the president. Because after the president made the decision that the optimum period for withdrawal would be three years, then the treaty was lost. Three years, because after some discussions with the technical people, although it's not sufficient in order to be able to go into conversion, you need a minimum of five years, and even longer if you take the realities into account. But three years would at least be enough time to buy time so that you can put the necessary infrastructure. And if you are the chief executive of any operation, a country as big as this, your concerns are with things like jobs, infrastructure, business, etc. So, when more or less, an optimum number of years, a target year was arrived upon, she started to campaign for the votes. But the decision was made that three years was really optimum. Maybe it was consulted. And then of course, the legal advisers in Malacanang were also consulted, Secretary Drilon was consulted. And that was the time when ...

[Beltran, interrupting] Were you consulted? Because I remember, when they gave you a copy of the draft treaty, I think your remark was: *Why is this like this?* You seemed surprised. And I think you almost voted against the treaty. You were so angry. But now ...

[Alvarez] We were, the whole Senate as a matter of fact, we reacted very negatively because there was some form of consultation. There was some periodic conversation with us, but when crucial decisions were concluded with the opposite panel, there was a gap in the conversation. So we were surprised. We were surprised about certain key provisions there on the length of time and then the letters of President Bush; so technically, you can say that the Foreign Affairs Department or Malacanang was consulting with us, *but there were those who talked to us about what is happening and when something big happened, matters discussed suddenly disappeared, and the treaty all of a sudden emerged.*

[Beltran] In this withdrawal agreement, are you being consulted?

[Alvarez] In this withdrawal agreement, I was not consulted of late, *but when the three-year withdrawal was being formulated, everyone was there meeting with the president. And she explained to us that the three years are optimum, so as to give jobs to displaced workers and relocate businesses.* She consulted our Navy and they said that the three years are quite reasonable. And that was when she started to put the political moves into operation. She started to talk to the group of three that went over and signed the document with her own group of 11 that supported the decision.

[Beltran] [passage omitted] The proposal for a three-year withdrawal period, everybody thinks it's reasonable. But you know, you are one of the top lawyers in the country. What kind of things can they [Americans] do with the three-year withdrawal period that you find objectionable? Can they use it to make it longer, to make the stay of the bases here legal, etcetera?

[Enrile] *Perhaps, they will not do us any harm, Louie. But that agreement, if there will be any, should be put in the form specified by our Constitution. Because if we will not do that, then what kind of Constitution are we using so we can serve the country? And the Constitution says that after the 1947 military bases agreement expires in 1991, there should no longer be foreign military bases, troops, or facilities in the country, except for one rule in the treaty that the Senate should approve by a two-thirds majority vote, and that if necessary and if Congress will say so, it will still have to be ratified by the Filipino people. If that is what is specified, then even if that is one year, or two years, or three years, or seven years, or 10 years, or 100 years, it should still be in the form specified by the Constitution.*

[Passage omitted]

[Enrile] *If it had been the United States serving us a one-year notice, do you think they will still remain for three years, after giving the one-year notice? Because, even with the mutual defense treaty, if you were given a one-year notice, it is finished. It is no longer in effect. And the same is true for the 1947 military bases agreement. If the Americans serve you the notice, they will dismantle the bases in one year.*

[Beltran] So you're saying, *that because we are going to give them a one-year notice, they should leave immediately?*

[Enrile] Of course. That is really the purpose of the one-year notice. The period of withdrawal.

[Passage omitted]

Salonga's Withdrawal Plan Viewed

HK1110085291 Quezon City Radyo ng Bayan in Tagalog 0400 GMT 11 Oct 91

[Text] Senate President Jovito Salonga has asserted that Philippine base workers are protected in the U.S. withdrawal formula he submitted to President Aquino. Yesterday, Salonga proposed to the president a two-year pullout of U.S. forces in the country, plus an additional year if required. According to Salonga's recommendation, the Senate will give the United States one year to remove all its military components from Subic Bay Naval Station in Olongapo City, while the Filipinos will totally takeover operations at the base in the second year. He said that should the United States need another year to complete the dismantling of the installation, it would be given.

[Begin Salonga recording] What we agreed upon was to be flexible and that both of us would study our positions thoroughly. I gave her a three-page formula. This formula was prepared by our technical people who know Subic very well. The formula, a three-page formula....and we could not talk about the entire contents because one hour may not be enough, basically stipulates that all of the military components in Subic should be pulled out within one year. Within that one year period, the phasein of Filipinos to take over the ship repair and port facilities—the container port facilities—shall begin. If that one year is not enough, we can grant them this after all the military components, weapons systems, combat troops, and military security units have been removed. We can give them this additional one year. [end recording]

Senate Advised To Consult Defense Officials

HK1110033691 Manila BUSINESS WORLD in English 11 Oct 91 pp 1, 6

[By Cris V. Paraso]

[Excerpts] The Senate was advised yesterday by President Aquino to consult with key Defense officials to thresh out and find solutions to possible problems that may arise in the withdrawal of United States troops and facilities.

In an informal meeting at Malacanang, Senate President Jovito R. Salonga said he presented to Mrs. Aquino the anti-treaty senators' position that all military components in Subic Naval Base, including combat troops, weapons systems and military security units, "be removed as soon as possible, at the latest, within the one year period contemplated in the Ramos-Rusk exchange of notes."

He said the Chief Executive asked that the Senate get in touch with two leading Defense officials "so that the anti-treaty senators and other senators can be briefed adequately on some problems involved in the withdrawal."

Although the Defense officials were not named, sources from the Office of the Senate President said the two are Defense Secretary Renato S. de Villa and Armed forces chief Gen. Lisandro C. Abadia.

In another meeting, Sen. Salonga said he urged Executive Secretary Franklin M. Drilon to immediately convene the withdrawal panels of the Philippines and U.S. to discuss the details of the withdrawal process.

Mrs. Aquino promised to study the compromise proposals including a three-page study prepared by experts and submitted by Sen. Salonga.

The study's objective is "to carry out an orderly, expeditious and progressively irreversible withdrawal of the Naval Base and at the same time ensure a smooth transition from the American military to Philippine authorities with minimal effects on the Philippine labor forces in the base." [passage omitted]

Socialists' Stand

Meanwhile, the Partido Demokratiko-Sosyalista ng Pilipinas, [PDSP-Philippine Democratic-Socialist Party], in a press statement, urged the Government to "put behind the base issue and devote its energies in resolving other more pressing concerns..."

PDSP chairman Norberto Gonzales said that while the party supports the three-year phaseout of Subic Naval Base as proposed by the President, it should better be left for the next administration to deal with it with finality.

Aquino Establishes Base Withdrawal Panel 11 Oct

HK1110090791 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Oct 91

[By Sonny Casulla]

[Text] President Aquino today created the Philippine panel to negotiate an executive agreement with the United States which would set a three-year withdrawal period for America's Subic Naval Base. Executive Secretary Franklin Drilon has been named as the panel's chairman, while members include Ambassador Raul Rabe, Defense Under Secretary Feliciano Gacis, Attorney Teresita de Castro of the Department of Justice, and Delfin Lazaro, head of the Special Operations Team on Bases Conversion. The president has informed Senate President Jovito Salonga and House Speaker Ramon Mitra Jr. of the panel's creation through separate letters.

In her letter to Salonga, the president invited Senator Leticia Ramos-Shahani, chairman of the Foreign Relations Committee, and Senator Ernesto Maceda, chairman of the Defense Committee, as advisers. Mrs. Aquino also invited Congressmen Jose Yap and Jose de Venecia as panel advisers. The president stressed that after the Senate rejected the Republic of the Philippines-U.S. Treaty of Friendship, Cooperation and Security, there was a need to form a panel to negotiate and hammer out an agreement with the United States for the orderly withdrawal of American forces from Subic Naval Base. She explained that in forming the withdrawal agreement the interests of Philippine workers at Subic, the extensive destruction brought about by Mt. Pinatubo, and the need to retain a good relationship with the United States would be taken into account. She thinks that a three-year stay for the U.S. forces in the country is reasonable and is in the interests of the entire nation. The president said that she has the support of 14 senators and the lower house on this decision. She stressed that there should be a complete withdrawal of U.S. forces from the Philippines after the three-year period.

Army Reserves, U.S. Join Reconstruction Program

HK1010054291 Manila MANILA BULLETIN in English 10 Oct 91 p 18

[By Aris Ilagan]

[Text] The Armed Forces of the Philippines (AFP) will mobilize its engineers from the AFP reserve forces next month to take part in a joint RP [Republic of the Philippines]-U.S. military exercise that will undertake reconstruction and rehabilitation efforts in areas severely affected by the Mt. Pinatubo eruptions, a top ranking military official said yesterday.

Brig. Gen. Joel Hinlo, AFP deputy chief for reservists, said that engineers from the AFP reserve force will form several battalions for the "Balikatan '91" [Helping Each Other '91] military exercise to be participated in by U.S. Armed Forces.

The annual holding of RP-U.S. "Balikatan" military exercise is in line with the existing Mutual Defense Treaty in an effort to update the military capabilities of the AFP and the U.S. Armed Forces.

Aside from holding regular wargames during the "Balikatan" exercise, Hinlo said that the rehabilitation efforts of Central Luzon had been included in the military exercise in view of the immediate needs to reconstruct the area to speed up economic normalcy for the communities.

Participating engineering units of the reserve forces will be allowed to use heavy equipment, said Hinlo.

Gen. Lisandro C. Abadia, AFP chief of staff, had ordered the strengthening of the reserve forces in line with his streamlining of the military organization which he aims to transform into a "lean and mobile" force.

In accordance with Republic Act 7077, the AFP Reservist Act of 1990, reservists may be called to active duty to help defend the government against any form external aggression for a maximum of 60-day period.

Bataan Plant Loan Excluded From Debt Plans

HK1010040191 Quezon City MALAYA in English 10 Oct 91 p 2

[By Marie Rose Feliciano]

[Text] President Aquino yesterday deferred inclusion of the Bataan Nuclear Powr Plant [BNPP] debt papers in a new buy-back debt scheme until after the government has evaluated the offer of Westinghouse Corp for an out-of-court settlement.

Sen Rene Saguisag (LP) said Finance Secretary Jesus Estanislao and Central Bank Gov Jose Cuisia will meet with representatives of Westinghouse by the end of the month to discuss the proposed settlement and the government's counter-proposal.

Saguisag refused to give details of the Westinghouse proposal on the ground of confidentiality.

A New Jersey court last month threw out a petition by Westinghouse to throw out the bribery charge filed by the Philippine government.

Saguisag said the President is open to a "fair and honorable" out-of-court settlement because it will do away with tedious and expensive litigation.

The President asked the Joint Legislative-Executive Foreign Debt Council [FDC] to study the Westinghouse offer. The FDC will meet next month on the BNPP loan when Estanislao returns from the 46th annual meeting of the IMF-World Bank in Bangkok.

The FDC will come out with a position on the BNPP debt papers to present to representatives of commercial banks who will attend the IMF-World Bank meeting.

Estanislao said that despite the non-inclusion of the BNPP debt papers in the buy-back scheme, the Philippines will continue to pay its BNPP debts unless there is a court ruling that the debt is illegal.

Malacanang proposed in the 1992 budget an appropriation of P [Philippine Peso] 6.69 billion for payment of the BNPP debts next year.

Saguisag said the Senate will "scrap" the appropriation from the budget, although he said Mrs Aquino is likely to veto the Senate move.

Cuisia warned that the negotiations for a new debt buy-back scheme might not push through if the BNPP debt papers are not included in the restructuring.

Manila Sends Grain to Indonesia To Repay Loans

HK0910060491 Manila THE CHRONICLE in English 9 Oct 91 pp 1, 7

[By Fermin Diaz]

[Text] The country today begins exporting 20,500 metric tons [mt] of rice and corn to Indonesia which will serve as payment for some 80,000 mt of rice it borrowed from that country in 1987.

The shipment is a result of the oversupply of the two commodities, National Food Authority [NFA] officials said yesterday.

The first shipment, which will come from Cagayan de Oro, consists of 20,000 mt of corn, equivalent to 10,500 mt of rice, said Rogelio Agcaoli, a special assistant to the NFA administrator. The next shipment would consist of 10,000 mt of rice, he said.

Although the Indonesian loan was made in the form of rice, the two countries had agreed that the Philippines may pay it either in rice or corn, or a combination.

Of the 80,000 mt borrowed from Indonesia, the Philippines had paid 16,000 mt early last year.

Another 20,500 mt was due for payment in June 1990, but NFA requested Indonesia for a deferment following a series of typhoons which reduced crop yield.

"Given the production surplus of rice and corn this year, it was only at this time that the country could repay its obligation with Indonesia," Agcaoli said.

Gregorio Tan, NFA assistant administrator for finance, said the country now has 1.53 million mt of buffer stock, enough to cover consumption for 90 days.

One-third of the supply, or 524,100 mt, is stored in NFA warehouses across the country, and 36%, or 560,800 mt, is kept in bodegas of rice traders. About 29% of the remaining supply are in private homes, he said.

With a daily requirement of only 18,000 mt and a projected total rice yield for October of 2.6 million mt, Tan said the country is bound to have an oversupply of rice.

He said rice inventory could still go higher by January next year because the expected harvest would reach 3.9 million mt.

Despite the oversupply, Tan said that exporting the grains in large quantities may not be feasible at this time because the country has to maintain a buffer stock.

"We want to be conservative... we want to play safe," he said.

He explained that his agency is closely watching lahar flows in Central Luzon because if the situation worsens, it might affect domestic rice supply.

"We may be able to export (rice), but if the situation worsens, we might resort to importation again," he said.

Party Conventions Tentatively Set for Jan 1992

HK0810030591 Manila MANILA BULLETIN in English 8 Oct 91 pp 1, 16

[By E. T. Suarez]

[Text] The Commission on Elections (Comelec) has moved tentatively from Nov. 12, 1991, to Jan. 12, 1992, the start of the official nomination, political party conventions, and selection of official candidates for president, vice president, and senators in the May 11, 1992 elections for national and local officials.

The Comelec also set for [as published] Jan. 12 to Feb. 7 the filing of the certificates of candidacy for president, vice president, and senators.

For congressmen, governors, mayors, and other local officials, the Comelec said the start of the nomination and selection of official candidates for the coming election is Feb. 11, 1992. They can also file their certificates of candidacy on the same day.

The deadline for the filing of certificate of candidacy is March 8.

Comelec officials said the start of the nomination, political party conventions, and selection of official candidates has to be reset due to a decision of the Supreme Court that the law providing for separate elections for national and local officials is unconstitutional.

"The new election calendar is based on the proposed new poll measure recommended by the Comelec, certified to as urgent by President Aquino and already approved by the House of Representatives, but remains pending in the Senate," they said. "These schedules are tentative, pending the effectivity of the election law that may be approved."

They added that the Comelec thanked the House of Representatives for approving most of the poll body's recommendations, except the election of provincial board members and city and municipal councilors by district to reduce the number of positions to be voted for by the people from 51 to 38.

Commissioner Alfredo E. Abueg Jr., chairman of the Comelec's first division, said the poll body is hopeful the Senate will restore the provision on the election of provincial board members and city and municipal councilors by district when it tackles the measure.

Abueg said election of board members and councilors by district will not only make the elections more manageable but also implement the provision of the new Local Government Code, providing that the board members and councilors shall be elected by district.

"We are hopeful that the joint bicameral conference committee of the Senate and the House of Representatives will see the merit of our recommendation that the provincial board members and councilors be elected by district," Abueg said.

Other highlights of the election calendar prepared by the Comelec is the fixing of campaign period for president, vice president, and senators for Feb. 8 to midnight of May 9.

Those for congressmen and local officials, the campaign period starts March 9 and ends midnight of May 9.

"Campaigning is prohibited on Maundy Thursday, April 16, and Good Friday, April 17," Abueg said. "All campaign activities end midnight of May 9."

Official: Local Code Affects Farmworkers' Rights

HK0810035391 Manila MANILA BULLETIN in English 8 Oct 91 p 10

[By Genevieve I. Soledad]

[Text] The Local Government Code does not provide mechanisms for the protection of the tenurial rights of farmworkers who may be affected or displaced by land classification, Agrarian Reform Secretary Benjamin T. Leong said yesterday.

"The final version of the Code contains an adversarial provision with respect to the implementation of the Comprehensive Agrarian Reform Program (CARP) since it will reduce the total coverage of the program which is 10.29-million hectares by 371,402 hectares," Mr. Leong further warned.

Earlier, Department of Agrarian Reform (DAR) officials had aired apprehension that some 731,000 hectares will be eliminated from coverage under the CARP with the Code's implementation.

The Code grants broader autonomy to local government units (LGU) and will soon become a law upon the approval of the President.

DAR officials opined the bill empowers local government officials to convert agricultural lands for industrial use, thus exempting them from CARP coverage.

Reclassify Agri Lands

Under the proposed law, the city or municipality has the prerogative to reclassify agricultural lands for other uses based on the following criteria: (1) when the land is no longer economically feasible or agriculturally productive as deemed by the Department of Agriculture; and (2) when the land is considered to have substantially greater economic value for residential, commercial, or industrial purposes as determined by the Sanggunian Bayan [Municipal Council] concerned.

LGU's will also be allowed to reclassify lands based on the following percentage of total agricultural land area:

—15% for highly urganized and independent cities;
—10% for component cities and first to third class municipalities; and
—5% for fourth to sixth class municipalities.

One saving grace of the Code, however, is the provision that only those lands still convertible can be reclassified by local government officials.

DAR insiders, however, expressed fears LGUs might not use the guidelines set by the DAR and come up with their own reclassification formulas instead.

Abadia Meets Zumel; Says Peace Talks Planned

HK0910054891 Manila PHILIPPINE DAILY INQUIRER in English 9 Oct 91

[By Nimfa U. Rueda]

[Text] Gen Lisandro Abadia, Armed Forces chief of staff, yesterday disclosed he met with cashiered Brig Gen Jose Zumel last week and obtained his support for on-going peace talks with military rebels.

Abadia, President Aquino's emissary in the peace negotiations, also told the Senate committee on security and national defense he was instructed by the President to conclude the talks before the end of the month.

He denied reports that the peace initiative has ended. "The talks have not collapsed. We are keen on concluding it soon," he said.

Asked to give details of his dialog with Zumel, Abadia told newsmen he invited the rebel officer "for coffee" at his house.

Abadia said Zumel told him he was "in favor" of the peace efforts and promised to meet with his colleagues to discuss the plan.

Zumel, who carries a P [Philippine pesos] 1 million reward for his capture, heads the soldiers of the Filipino People or the loyalist faction among the military rebels.

Abadia earlier met with putsch leader, Gregorio Honasan, and other key officers of the Rebolusyonaryong Alyansang Makabayan [Revolutionary Nationalist Alliance] (RAM).

He said he had set four requirements for the military rebels before the formal peace talks are held.

These include pledging allegiance to the Constitution, recognition of duly constituted authorities and the AFP [Armed Forces of the Philippines] chain of command, renoucing the use of violence in reforming the military, and refraining from further dividing the government and the military.

Abadia added that any move for the granting of amnesty to the rebel military officers must come from Congress. "I will not recommend amnesty. But if there is a directive, I will obey like a good soldier," he said.

He told the Senate committee that though these forces are still capable of launching terrorist activities, they can no longer engage in destabilizing activities "as massive" as the coup attempt in December 1989.

Calajate Denies Disenchantment With Mitra

HK0910052591 Manila MANILA BULLETIN in English 9 Oct 91 p 8

[Text] Former commodore Domingo Calajate debunked yesterday the claim of some military officers that the recent peace dialogue initiated by Speaker Ramon V. Mitra Jr with army rebels had political motives.

Calajate also denied a statement of the defense department that colonel Gregorio Honasan's group was "extremely unhappy" over the perceived political mileage that may be achieved from the dialogue. It was not true that the group criticzed Mitra, he said.

Short of calling the army claim an outrageous lie, Calajate said that the dialogue will continue in a week or two. "It is obvious that certain sectors in the defense department are out to sabotage the peace talks," he said.

The saboteurs, according to Dante A. Ang, personal spokesman of the Speaker, have dubious motives and are "driven by pride, envy and blind personal ambitions." They "have resorted to various ruses to derail the peace talks and ensure the failure of the ongoing negotiations."

AFP [Armed Forces of the Philippines] chief of staff Gen Lisandro Abadia had also conducted peace talks with the rebel group, and yet it was Speaker Mitra who was the target of what Calajate himself inferred as disinformation and lie.

The saboteurs, Ang added, "belong to a certain segment in the military, who for personal and selfish reason, doesn't seem to want the Mitra-Honasan talks to succeed."

If this segment cannot contribute anything positive to the "successful conclusion of the talks," Ang also said, "they should keep their mouths shut, and give peace a chance."

It's deplorable, he said, that "the saboteurs also want to erode the trust that the negotiating parties have so painstakingly built and established."

They should be gentlemen enough to remember that any political benefit that may accrue to Mitra from the peace talks is only incidental because "anyway he is already the acknowledged runaway leader in the LDP [Struggle of the Filipino Democrats] presidential nomination," he said.

What is important to the Speaker "is that if the talks succeed, he would have done his part in bringing about peace and unity in the country."

It is for the sake of national peace and unity that the peace dialogues "will resume in a week or two," Calajate himself assured the people.

But the more noises the saboteurs make, Ang said, "The lesser are the chances of forging peace and reconciliation." He is confident that the smear campaign launched against Mitra will fail.

Peace Talks Said To Benefit Aquino Government

HK0910054691 Manila THE CHRONICLE in English 9 Oct 91 p 1

[By Manny Mogato]

[Text] General Lisandro Abadia, the AFP [Armed Forces of the Philippines] cheif of staff, is expecting the military rebels to submit a list of their political demands before the end of the month.

These political demands are now being worked out by a seven-man rebel secretariat composed of detained renegade soldiers.

The presentation of these political demands to Abadia and eventually to President Aquino is believed to be the first step to resolving peacefully the military problem which has saddled the government for five years, including at least seven failed coup attempts.

Abadia's dangerous gambit has apparently paid off as his bold initiatives to reach out to the rebels have forced the renegades to come out and discuss among themselves a common position on a number of political issues such as amnesty, electoral reforms and good government.

If there are any beneficiaries from these negotiations, it would be the Aquino government, which is already reeling from the series of political and economic crises and natural disasters.

If there would be any talks and the government would persuade the renegades to return to the mainstream, a sense of political stability would be established, favoring the business community as stability would attract local and foreign investments.

But the greatest beneficiary of these on-going negotiations is the coming political exercise next year as politicans would not worry that the elections would be cancelled because of another coup attempt.

At first glance, the renegades might have agreed to come out and talk with Abadia because of two things: their funds are low because their political benefactors have shifted their money from supporting coups to preparing for the elections; and that the rebels are already tired of fighting and are rethinking their position partly as a result of the irreversible trend of democratic reforms worldwide. A military takeover, such as the Haiti experience, may no longer be romantic and would only result in worldwide condemnation.

A deeper look into the motives of these rebel officers, why they are coming out one after the other, would indicate that some of them might be interested in running for public office.

There had been rumors that Gregorio Honasan, the symbol of the rightwing rebels, might be included in the Nacionalista Party's senatorial ticket along with maverick major general Alexander Aguirre, the resigned AFP deputy chief of staff.

Alexander Noble, the leader of the failed Mindanao uprising last year, is himself interested in becoming a congressman or a local official in Agusan, while former captain Leovic Dioneda of the defunct Philippine Constabulary is entertaining the idea of becoming the next mayor of his hometown in Sorsogon.

Gaining legitimate political power through the ballots has become the new battlefield for this once rebellious soldiers. They have their own idea of how to run the government and they would like to try their own system.

Abadia might persuade the younger officers to return to the mainstream and be rehabilitated. He wants those who no longer manifest "interventionist" tendencies to simply try once more the noble profession of arms.

But one thing is sure, Abadia does not only want to see a more united military. He also wants a more formidable force. Uniting the military through his peace initiatives would not only remove one of the immediate threats to the Aquino administration but also galvanize it into crushing the 22-year-old insurgency.

Panel Discusses Amnesty for Rebels 10 Oct

HK1110140091 Quezon City People's Television 4 in Tagalog 1430 GMT 10 Oct 91

[Panel discussion among House Speaker Ramon Mitra Jr., Armed Forces Chief Lisandro Abadia, and Congressman Bonifacio Gillego moderated by program hosts Joe Carlos and Mike Genovea on "Congress Forum" program—live; italicized passages in English]

[Excerpts] [Gillego] [passage omitted] *The grant of amnesty has to be seriously considered. If we are really after unity or reconciliation at this very critical period in our national life, really, we should not wait for the military or some other groups, we have to seriously consider a grant of amnesty that is of general application, regardless of whether it would apply to the left or the right with a minimum loss of honor and dignity. In the language of Speaker Mitra, the peace of the brave [as heard].*

[Abadia] [passage omitted] We know that the military can not lose that political thinking. In the first place, we have to interact with politicians. We have to coordinate with Congress for our budget. We have to defend our budget. The Commission on Appointments has to approve our promotions. If Congress has some concerns, we are summoned to hearings. We only differ in our goals. They [politicians] want to intervene to lead. I take the Constitution as my basis for what I do.

[Carlos] On the congressman's point on amnesty, is this one of their [rebels] conditions?

[Abadia] No. In fairness to them, we have never discussed amnesty but I told them I cannot recommend amnesty because I might be perceived as gay [as heard]. We have a military justice system. If the soldiers who had fired guns had been dismissed, you can not just give freedom to the officers who tried to pull the trigger in your face. They have to face military justice. But if there is an amnesty law, like a good soldier, I will also implement it.

[Carlos] *This grant of amnesty should be addressed to the executive. Maybe, ask the speaker if he is agreeable to this request of Congressman Gillego.*

[Mitra] On Congressman Gillego's statement on the politicalization of the rebels, in my talks to them, *I got the sense that I was talking to soldiers and that they know their place. While they have these ideas in mind and they talk about it and they've studied it, maybe it's true that they have been reading books and a lot of our people have done that as well. But they know their place as soldiers. They can speak their minds out. But I don't think they have illusions about being able to draft national policy. As soldiers, all we talked about was the vision of what the armed forces can be.*

[Carlos] But Mr. Speaker, General Abadia is saying that the military has certain political demands before they come out into the open.

[Abadia] What I pointed out earlier were not actually political demands. As I said, if I, myself, have no authority to make demands, what more do you people? What they simply did was write down their concerns *that is of the province of politics.* One of these is electoral reform. Their proposal for electoral reform is very long. *Having glanced at their proposal for electoral reforms,* I told them that I was already getting dizzy. I told them that maybe the only thing I could do was to bring it to the executive, Speaker Mitra, Senate President Salonga those which they have written down. That is the only thing I can do. I told them not to expect any answers from me for I do not understand any of these things.

[Carlos] So Mr. Speaker, does this mean that during your talks with Mr. Honasan, you never discussed political issues like electoral reforms, good government?

[Mitra] We did discuss these things, *but these were not demands. To me, this is their vision of what the country should be and* you cannot take this away from people who love their country. This is what they would like to happen here. And if ...

[Carlos, interrupting] So these are not conditions?

[Mitra] The government was to execute these things. I think they are not their conditions. They are simply saying that these are the things which they would like to see implemented in their country. Who would not want the reforms which they enumerated? We hear it from them and from our colleagues that these should be realized. However, these are not their conditions. Their conditions are ... [changes thought] I think that, as we were discussing a while ago, these conditions need not be written. A guarantee from us that they would be given justice would suffice. They believe that under General Abadia's leadership in the military, they would get justice. So, I have strong hopes that arrangement would be reached and this would be resolved. This is the key to this issue, and they are supported. But if we are going to talk about amnesty, it is not true that I promised to give them amnesty. In the first place, I have no authority to promise. However, I believe that amnesty should be granted. But there is a great difference between my believing in amnesty and my promising to give it. I cannot promise this because I cannot give it.

[Carlos] Does this amnesty need to pass through Congress?

[Mitra] Yes, it does. And I do not see any opposition in Congress. If this is recommended, this would be approved.

[Carlos] *Will you personally recommend this, Mr. Speaker?*

[Mitra] *I will not be the one recommending, I will only be acting in behalf of my colleagues.*

[Abadia] However, it is not only in Congress, but also at the Senate. In a hearing, *Senator Maceda said, "I'm in favor of amnesty." Senator Enrile is in favor of amnesty. Senator Estrada is in favor of amnesty, so perhaps we can start from there.*

[Carlos] Maybe Congressman Gillego can recommend something.

[Gillego] *I would like to announce that this afternoon we will be submitting a bill, on first reading, a grant of general amnesty which will be of general application, as I said, and unconditional. Let the collective wisdom of the body decide on amendments and we will also consult, in a public hearing, with the military authorities. But to go back, if only to, as I said, broaden this dimension of this dialogue that we are having now, because even when he was above ground, I exerted effort for him, I'm referring to Gringo, to get exposed to the national leadership. And since at that time, Senator Manglapus and I, he was then very close to me, I also introduced Greg Honasan in one of the meetings, and some others.* They do not *question the supremacy of the civilian authority over the military. We discussed this point. But let me tell you his point. Of course,* he said, *we accept that as a tenet, a cardinal principle of the democratic, constitutional system. But how can you expect people like us in the military to respect civilian leadership that has no vision, that has no integrity etc., etc., etc.?* That is their *elaboration which I am just conveying as, already even at the time before he went underground, an indication of the transformation and evolution of their political thinking. That is why I must stress their point at this period ...*

[Carlos, interupting] Okay, Congressman ...

[Gillego, interrupting] ... *to narrow it to a purely military affair, which seems to be the concern even of Speaker Mitra would, I think, be self-defeating.*

[Carlos] Would this be apllied to the National Democratic Front or the New People's Army?

[Gillego] *It will be of general application. Both left and right rebel groups and even the Moro insurgents.* But you know, *amnesty usually and legally is a presidential prerogative, but under our Constitution, it is with concurrence of Congress or under American jurisprudence, I don't know if it will be allowed, I am not a lawyer, it can also be an act of Congress. This time, we are instituting an act of Congress, meaning that both Houses, or it could be in the form of a joint resolution. But in this case, it is a bill. I consulted with our legal department in the House of Representatives and the bill is now ready for submission this afternoon.*

[Mitra] *Perhaps, Joe, Bonnie might want to state what the conditions are for the grant of amnesty in that it is not just an outright grant of amnesty but there must be some preconditions, like recognition of the Philippine Constitution, respect for the flag, or pledge not to again get involved in destabilization moves or activities. Is it not? Otherwise, you just give a blanket amnesty and it would be meaningless.*

[Gillego] *As I said, these modifications can be introduced by way of amendments which will not nullify the intent and spirit of this grant of amnesty. An act of amnesty is always an act of grace, an act of generosity, an act of benevolence. That is why it wipes out the slate completely of guilt associated with the waging of a rebellion. So, all those ideas about rebellion complete with other kinds of arson, etc., all committed in the pursuit of a political objective would be wiped out. Because that is what amnesty is all about.* [passage omitted]

Upcoming Surrender of Rebel Leaders Confirmed

HK1110115291 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 11 Oct 91

[Text] Armed Forces Chief of Staff General Lisandro Abadia confirmed that five leaders of the rebellious military soldiers will surrender before the end of this month. The rebel officials who will reportedly surrender are Gregorio Honasan, Jose Maria Zumel, Domingo Calajate, Red Kapunan, and Felix Turingan.

Abadia confirmed that these rebels have already agreed to face the cases filed against them before the military court. Nonetheless, they hope to be granted amnesty.

In this connection, Press Undersecretary Horacio Paredes said that President Aquino may possibly grant amnesty to the soldiers who surrender if they can prove themselves sincere about going back to the fold of the law.

Rebel Surrender Would Not Solve Army 'Problems'

HK1110102591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 11 Oct 91

[By Fernan Imberga]

[Text] The Armed Forces of the Philippines' [AFP] problems with right-wing rebels will not be solved even if the rebels, led by renegade Colonel Gringo Honasan, would return to the government fold.

In an ambush interview at the AFP Commissioned Officers Club at Camp Aguinaldo, AFP Chief of Staff General Lisandro Abadia admitted to the press that the military's problems with right-wing rebels would only be partially solved by the forthcoming surrender of Gringo Honasan's group. Abadia said that, even if all the rebel soldiers surrendered to the government, he cannot promise that all the discontented groups within the military would disappear.

Although the chief of staff's intentions to unite the military by means of reconciliation is sincere, he cannot assure that coups will no longer be launched. Abadia said that he cannot be absolutely sure on whether rebel soldiers will abide by their so-called "word of honor." In line with this, Abadia hopes that the 10 rebel officials, headed by renegade Colonel Gringo Honasan, Commodore Domingo Calajate, Brigadier General Jose Maria Zumel, Navy Captain Felix Turingan, Lieutenant Colonel Rhett Capunan, and Captain Suanso Saban, and other rebel lieutenants and captains, would be surrendering soon.

Proposed Manila, NPA Peace Talks Gain Support

HK0910054591 Manila MANILA BULLETIN in English 9 Oct 91 pp 1, 22

[By Owen Masaganda]

[Text] Camp Vicente Lim, Laguna—The proposed peace talks between the government and the communist New People's Army (NPA) have drawn support from non-government organizations (NGOs) and other sectors of society.

Quezon Gov. Eduardo Rodriguez, chairman of the regional peace and order council for Southern Tagalog, discussed the mechanics of the peace talks at the council meeting yesterday.

Philippine National Police (PNP) Director General Cesar Nazareno earlier ordered all his field commanders to facilitate the issuance of safe conduct passes to rebels who are willing to talk with government representatives.

Among those who attended the council meeting were Brig. Gen. Federico Ruiz Jr., Southern Luzon command chief of the Army, Recom [Regional Command] 4 PNP Director Umber to Rodriguez, DSWD [Department of Social Welfare and Development] Director Gloria Mallere, Director Edgardo Inciong of the National Police Commission, Fernando Lacaba of the DILG [Department of Interior and Local Government], EIIB [Economic Intelligence and Investigation Bureau] Director Servando Lara and Director Fred Torres of the Department of Public Works and Highways.

Gov. Rodriguez said that Quezon PNP Director Rex Piad will proclaim a 10-day ceasefire after the Kapisanan ng mga Broadkaster sa Pilipinas [Association of Broadcasters in the Philippines] (Quezon chapter) headed by Johnny Oliveros and one TV station offered to act as mediator between the government and the NPA.

Piad said that the proposed peace talks had drawn support from IBP [Integrated Bar of the Philippines] Quezon chapter president Vic Joyas and church leaders, including Bishop Ruben Profugo, civic groups and NGOs.

Mallare reported that a total of 49 regular NPA returnees were staying at the bayanihan centers, while 278 others were outside the centers and the government has been providing them with food and other necessities.

So far, 703 rebel returnees have been processed, Mallare said.

Ruiz reported that the payment for the firearms surrendered by the rebels were also being processed by the civil relations group of the Armed Forces of the Philippines.

NPA Said Using Arms Used by Military Rebels

HK0910100291 Manila BUSINESS WORLD in English 9 Oct 91 p 10

[Text] Most firearms, including automatic assault rifles, used by rightist rebels in previous coup attempts have fallen into the hands of the New People's Army [NPA].

Military reports indicate that NPA rebels were seen brandishing recoilless rifles in at least two rebel attacks last August.

Such type of high-powered arms also known as "bazookas" are among the sophisticated weapons issued only to military personnel.

Military probers believe "bazookas" could have been part of the loot taken by rebel soldiers from various military and police armories they raided during the December 1989 coup attempt.

The reports show the NPA used the artillery pieces in the attack of a patrol base in Dikapanikian, Aurora and an army detachment in Aguilar, Pangasinan.

The Aurora attack on the 56th Army Infantry Battalion base happened last August 26 while the assault on the detachment of the 68th IB [Infantry Bragade] in Pangasinan took place on the 29th.

Earlier, the Philippine National Police received reports that some soldiers involved in past coup attempts have sold their firearms at very low prices. Police probers said these firearms could have fallen into the wrong hands.

Mobile troops were also reported to have recovered an unspecified amount of ammunition for 57 millimeter mortar after an encounter with NPA terrorists in Nueva Ecija.

The mortar shell markings were apparently traced to ammunition declared lost during the December 1989 coup attempt.

Reports from Mindanao also indicate the rebels' use of the artillery pieces against army troops deployed in the region.

Military reports also showed that some high-powered firearms now used by the NPA were those issued to military personnel.

Aside from generating them from the rebels' "agaw-armas" [Armed-Grabbed] strategy, the military believes some of the weapons were sold to insurgents by cash-strapped listed personnel.

Several weapons recovered by the military in numerous encounters with the rebels show the serial numbers could be traced to those issued to soldiers who joined the shortlived takeover of the GMA [Greater Manila Arts]-7 compound in January 1987.

Military Intensifies Moves Against NPA Rebels

HK0910041491 Manila PHILIPPINE DAILY INQUIRER in English 9 Oct 91 pp 1, 8

[By Joey Ybanez]

[Text] Don Victoriano, Misamis Occidental—Army troopers killed 20 communist rebels and overran two rebel camps in a major operation that entered its eighth day yesterday on a thickly forested mountain here.

Brig. Gen. Romeo Padiernos, commanding general of the Army's 101st brigade, told the INQUIRER the guerillas may have suffered more casualties as six batteries of 105mm howitzers pounded rebel positions on Mount Pinambulig of this town for eight days.

Padiernos said six UH-1H and MG520 helicopters also bombed and strafed rebel positions.

Seven troopers of the 1,500-strong force thrown against the 160 rebels have been wounded.

In another encounter, soldiers killed 10 New People's Army [NPA] rebels when they assaulted a rebel hideout in Sitio Kakandungan in the Marag Valley, Kalinga-Apayao last Sunday.

Army chief Maj. Gen. Arturo Enrile said several rebels were believed wounded in the 30-minute firefight.

The rebels were apparently part of the large NPA command flushed out of the Marag Valley since the military offensive resumed last month. The AFP [Armed Forces of the Philippines] launched a massive assault to clear Marag Valley of insurgents last year.

Since October 1990, when the Marag Valley operations began, government troops have killed 132 rebels and wounded 34 others, the AFP said.

Public outcry against the reported effects on noncombatants led to a temporary halt in the militray operations. Human rights groups and the Department of Justice have accused the military of human rights violations in its operations. Reports said that aside from many civilians killed in the encounters, children have also died from hunger and disease during the campaign.

In the Misamis Occidental military assault, Padiernos said that one Huey chopper was hit by rebel ground fire and a crew member was wounded. The chopper was forced to return to base on Saturday.

Padiernos said all exit points from Pinambulig (1,900 meters above sea level) were already sealed off by troops from the 32nd, 55th and 44th Infantry Battalions.

Believed trapped with the guerillas was Mario Baguindol, alias Ka [Comrade] Jolly, guerilla front commander of Monterosa and other CPP [Communist Party of the Philippines]-NPA top underground leaders.

Military reports said the guerillas put up strong resistance, firing back with .50 caliber machineguns at the advancing troops while hundreds of landmines were laid out at several points.

As of Tuesday, the rebels showed no signs of surrendering despite earlier calls made by General Padiernos for their surrender since they were surrounded.

Military doctors from the 101st Brigade have also been operating a daily medical-dental mission for some 600 residents here, said Captains Mamerto Losa and Victorio Cruz.

Elementary classes have been suspended since Friday and about 50 Subanon families evacuated to safer grounds, Mrs. Aida Dacillo, a village midwife told INQUIRER.

Meanwhile, Defense Secretary Renato S. de Villa yesterday warned that communist rebels will step up attacks against American military personnel and even some pro-bases politicians.

On Saturday, the underground National Democratic Front (NDF) asked the Americans to leave Subic Naval Base immediately following the rejection of the base treaty or face attacks from the NPA.

Interviewed by reporters during the floor deliberations on the defense budget next year at the House, De Villa said the urban guerilla units of the NPA would also target people other than American servicemen.

'About 160' Rebels Trapped in Misamis Forest

HK0810052391 Manila PHILIPPINE DAILY INQUIRER in English 8 Oct 91 p 2

[By Joey Ybanez]

[Text] Bonifacio, Misamis Occidental—Three army battalions of the 101st Brigade over the weekend stormed a big New People's Army [NPA] guerilla base in a mountainous area here.

Six communist rebels have been killed in the continuing operations while five Army troopers were wounded by an exploding Claymore mine.

Brigadier General Romeo Badiemos, 101st commanding general, in an interview at the operations base, said that Philippine Air Force NG520 choppers dropped bombs on the rebels holed up in the mountain forest of Tinambuli of this town Friday.

Gen. Badiemos, who personally supervised the assault, said about 160 communist rebels are believed trapped up in the mountain and government troops have encircled their position.

The army official said, the rebels belong to the CPP [Communist Party of the Philippines]-NPA's subregional guerilla unit (SRGU) from Monterosa operating in the provinces of Zamboanga del Sur, Zamboanga del Norte and Misamis Occidental.

"We believe there are top personalities of the CPP-NPA who are trapped with the guerillas in the area," Badiernos said.

The operation codenamed "Oplan [Operation Plan] Rainbow," hopes to decimate the CPP-NPA now trapped in the area, he added.

Independent INQUIRER sources disclosed that Mario Bagundul alias "Ka Golly" the commander of the trapped guerillas, is believed in the area and is personally directing the rebels' counterfire.

Earlier, Gen. Badiernos appealed to the trapped rebels to give themselves up, to avoid a bloody confrontation.

However, sources said that the rebels chose to fight it out with the assaulting government troops.

Fresh supplies delivered by UH-1H choppers were airdropped in the area for government troops indicating a week-long offensive.

'Intensified' Clashes Endanger Cease-Fire

HK0810045691 Manila THE CHRONICLE in English 8 Oct 91 p 3

[By Joey Caburnida]

[Text] Fighting between government troops and communist rebels has intensified and might possibly signal the end of the government's attempt at a localized peace approach towards the insurgency.

But despite the fighting, the Philippine National Police [PNP] decided to extend the effectivity of the localized truce in Quezon province by another 20 days.

"We have not yet received any response from any of the local communist leaders in Negros and Quezon," PNP Senior Superintendent and spokesman Reynaldo Wycoco said. He added that the month-long truce in Negros might be extended, depending on rebel response and the public clamor for a lasting peace.

Meanwhile, landmines planted by the New People's Army [NPA] in Sitio Ragubrob, Barangay Saliducon in Sta Cruz, Davao del Sur destroyed two V150 combat vehicles and seriously injured three soldiers and two policemen last Saturday.

Wounded were Maj Jose Agbayani, 2nd Lt Jeron Jovillo and Staff Sgt Samiro Pontillo, all of the Army 46th Infantry Battalion; and police officers Roberto Pumares and Raul Ebrona of the PNP Davao del Sur Command.

Reports reaching Camp Crame said the soldiers and police were deployed to reinforce Army troops battling the guerrillas.

Composite Army and police teams have been deployed to do mopping-up operations against the rebels in Sitio Ragubrob.

Despite the lack of response from local communist leaders, the government is still pursuing the localized peace approach, Wycoco said. He considered the approach as the "best alternative" to the short-lived nationwide ceasefire recently declared by the National Democratic Front [NDF] the communist alliance of underground organizations, after the Senate rejected the new RP [Republic of the Philippines]-U.S. bases treaty.

"There are no more national party leaders in the communist movement who can represent the Communist Party of the Philippines-NPA-NDF in any proposed talks at the national level," Wycoco added.

Saturnino Ocampo, Carolina Malay-Ocampo, Rodolfo Salas, Rodolfo Kintanar and Gloria Jopson, all CPP-NPA-NDF leaders, have been imprisoned by the government on charges of rebellion.

NPA 'Set To Launch' Massive Quezon Offensive

HK0910095891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 9 Oct 91

[By Benjie de Galicia, DZRH Unit 20]

[Excerpt] The New People's Army is set to launch a massive offensive in Quezon Province and other parts of Laguna. This was gathered from an intelligence report by Unit 20 from a reliable source in the town of Calawag. The report said the NPA has received a lot of complaints from the people of the Bondoc peninsula where Philippine Army soldiers were terrorizing its residents asking for livestock, making advances to their women, and instigating fear. The source added that the NPA will avenge residents oppressed by the military. [passage omitted]

Laguna Governor 'Helping' Communist Rebels

HK1010100991 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 10 Oct 91

[By Fernan Imberga]

[Text] Governor Felicisimo San Luis of Laguna admitted that the local government is directly helping New People's Army [NPA] members in their province. Prior to this, it was reported that the Philippine National Police [PNP] is closely monitoring the local officials of the different provinces throughout the country because some of them are suspected of supporting the communist movement.

San Luis said that his office and several mayors of Laguna are giving into the NPA rebels requests, especially if the requests are financial in nature. However, San Luis said that the assistance that they extend to the rebels does not imply that they support the goals for which the movement is struggling. Furthermore, San Luis said that they lent the NPA rebels money just like any ordinary citizen of Laguna, and are said to be better at paying their financial debts.

San Luis explained that this relationship, which they have with the NPA rebels in Laguna, is the reason why their province has remained peaceful despite the existence of rebel operations.

It should be recalled that PNP Chief General Cesar Nazareno and Local Government Department Undersecretary Ramon Montano recently warned local government officials that they would file charges against them if it is proven they are supporting the Communist Party of the Philippines-NPA.

At present, an extension of the local cease-fire is being enforced in Laguna. The cease-fire is the same as that which was initially launched by the government in the province of Quezon where Brigadier General Frederico Ruiz, Southern Luzon regional commander, issued safe conduct passes for the three representatives of the NPA which included Gregorio Rosal and Leopoldo Mabilangan.

Laguna is the fourth province where the government declared a local cease-fire in order to give way to peace talks between local government officials and rebel groups.

Aquino Approves $324 Million Energy Projects

HK1010045791 Manila BUSINESS WORLD in English 10 Oct 91 pp 1, 6

[By Anthony L. Cuaycong]

[Text] The National Economic and Development Authority [NEDA] Board, in a meeting chaired by President Aquino, yesterday approved the $324-million Financing Energy Services for Small-Scale Energy Users

Program aimed at developing, encouraging, and supporting locally based energy service firms in implementing renewable energy and energy conservation projects.

As explained by Socio-Economic Planning Secretary and concurrent NEDA Director-General Cayetano Paderanga, Jr, the program provides three financing schemes for specific target markets, to wit:

—Under Scheme A, projects involving the acquisition and use of energy-saving technologies—among them energy-efficient lamps, liquefied petroleum gas kilns, biogas digesters, and rice hull-fueled dryers—are eligible for financing, with the Development Bank of the Philippines [DBP] as financial intermediary;

—Under Scheme B, projects involving the development of biomass-fueled cogeneration and solar water heaters for commercial establishments will be financed also by the DBP; and

—Under Scheme C, projects involving the development of solar energy for small home systems, battery-charging stations, and minihydro systems will be financed and administered by the National Electrification Administration.

During the meeting, the NEDA Board also approved guidelines on private sector access to official development assistance (ODA) and other official flows (OOF) for priority development projects.

As approved by the Board and recommended by the NEDA Investment Coordination Committee following consultation with private sector representatives, conduit mechanisms will be used in view of provisions in the Foreign Borrowings Act prohibiting direct private sector access to ODA and OOF.

Given statutory limitations, access to ODA and OOF will be provided through government and private financial institutions and other state institutions performing quasi-banking operations.

Access Modes

In this connection, two access modes have been formulated:

—Under the relending mode, the conduit entity will borrow from an official source specially for relending to private entities set to undertake a development project; and

—Under the on-lending mode, a government agency will borrow from an official source for a development project to be undertaken by a private entity.

To be eligible for ODA and OOF financing, the private sector project under consideration must be accorded high priority by the Executive department, supportive of development plan objectives, and not financially viable from a commercial standpoint.

To this end, six priority areas have been identified by the NEDA Board as those to be given preference for private sector access to official financing—electricity generation and distribution; road construction; ports; telecommunications; mass transit systems; and solid waste management.

Foreign Investments Rise '27%' in First 8 Months

HK1010052291 Manila BUSINESS WORLD in English 10 Oct 91 pp 1, 6

[By Mary Jane O. Llanes]

[Text] Displaying a lethargic mode towards business ventures in the country, foreign investments in start-up and existing companies for the first eight months of the year rose by a marginal 6.2% to P [Philippine peso] 4.717 billion from P4.441 billion in the same period last year.

Overall, both local and foreign investments rose 27% in the period to P22.748 billion from P17.915 billion. It is worth noting, though, that the upturn was basically led by property investments and not by actual cash infusion.

Property investments by local and foreign investors in new and existing corporations amounted to P9.3 billion or 310% higher than the P2.268 billion recorded last year.

At the same time, corporate dissolutions zoomed by 102% to 103 companies. Worse, capital taken out of the system rose 610.4% to P1.5 billion from P210 million in the same period last year.

Analysts believe that the skittish stance being adopted by investors in committing funds for investments and reinvestments could be traced to the recent adverse turn of events in the local scene.

Analysts are one in saying that much of the liquidity supposed to have been poured into the country has already found its way to other more politically and economically stable neighboring Asian countries.

Cash contributions in corporations for the eight-month period in new and existing corporations totalled P8.948 billion, up 1.6% from the yearago's P8.809 billion.

Expansions

Meanwhile, August saw existing companies pursuing expansion plans as scheduled although observers doubted that new company expansion moves would be made in the remaining months of the year.

Capital reinvestments, as a result, jumped by 126.7% to P3.024 billion from the July figures. This amount is higher by 69% than in the same month last year amounting to P1.79 billion.

The amount poured in for start-up companies for August, however, slipped by 0.6% to P601.7 million from P605.1 million in July. Of the amount, 97.8% represents cash contribution totalling P588.5 million.

Property contribution, on the other hand, was valued at P13.2 million or 2.2% of the total.

Boosting newly formed companies for the month was beerbased conglomerate San Miguel Corporation's newest subsidiary San Miguel Campofrio Corp (in meat processing) with an initial investment of P150 million.

Unemployment Rate Increases to '10.3 Percent'

HK0810052491 Manila PHILIPPINES NEWSDAY in English 8 Oct 91 p 8

[By Alona Marie Dayrit]

[Text] Joblessness continued to worsen during the second quarter of the year compared to the previous year as the already widespread business slowdown that accompanied the first semester's economic slump was exacerbated by the Mt. Pinatubo eruptions, triggering massive work stoppages, layoffs and loss of job opportunities, particularly in Central Luzon, the National Statistics Office [NSO] reported.

Preliminary data based on NSO's latest survey of households in all parts of the country showed that of the Philippines' total labor force of 25.3 million as of July this year, about 2.6 million people were jobless. This translated to a nationwide unemployment rate of 10.3 percent, a marked increase from the 8.4 percent registered in the same period last year.

Last July's jobless rate tally was, however, substantially lower than last April's 15.1 percent—the highest under the Aquino administration so far—which, the NSO said, reflected the large number of overseas contract workers dislocated by the Gulf crisis.

Explaining the lower July 1991 figure, the NSO said last July's labor force survey "in a way, generated only partial results, since the interviewers were not able to reach most of the sample areas, particularly in the eruption-ravaged provinces of Zambales and Pampanga."

It added that the number of unemployed persons was, therefore, estimated based on the assumption that "75 percent of the country's agricultural workers and 30 percent of those working in the service sector had lost their jobs."

The NSO noted that its latest survey was conducted barely a month after the devastating eruptions of Mt. Pinatubo, which displaced thousands of workers in Central Luzon.

Hardest hit by this calamity and the subsequent temporary evacuation of American military personnel from Subic Naval Base and Clark Air Base were the provinces of Zambales and Pampanga, whose unemployment rates were estimated to have reached as high as 42 percent and 18 percent, respectively, during the period in review.

Energy Office Notes Increased Oil Import Costs

HK1010042991 Manila PHILIPPINES NEWSDAY in English 10 Oct 91 p 8

[By Alona Marie Dayrit]

[Text] Despite a substantial decline in the volume of oil shipped to the Philippines during the first seven months of the year, the country's total import bill still rose, albeit moderately, because of higher acquisition costs, the Office of Energy Affairs [OEA] reported.

In its update on the local oil industry's demand and supply situation, the OEA said the country's aggregate payments for imported crude, refined petroleum products and lubes and additives were placed at cost, insurance, freight (CIF) value of $974.6 million from January to July this year, up by a slight 4.94 percent from the $928.7 million registered in the same period last year.

Excluding dollar earnings from finished product exports to Asian countries and refined products sales to the U.S. military installations, the country's net oil import bill amounted to $894.7 million, representing a smaller 3.60 percent increment over the end-July 1990 cost of $863.6 million.

The OEA attributed the increase mainly to the mild run-up in crude import cost during the period in review. In particular, it stated that the average price of crude in the world market was pegged at $16.87 per barrel FOB [Free on Board] for July, exceeding by $2.16 the previous year's $14.71. The year-to-date average acquisition cost of $17.20 per barrel FOB was likewise higher than the year-ago level.

Apparently, the hike in the cost of overseas fuel purchases partially offset the drop in total import volume during the first seven months of the year, as the country's oil import bill continued to rise, the OEA said. From 54.308 million barrels of oil imports in end-July 1990, the overall volume shipped to the country this year shrank by 5.96 percent to 51.073 million barrels.

OEA sources traced the decline in oil import volume to a general slack in demand among local industries and commercial establishments. The weak demand was, in turn, a result of the continuing slowdown in production activities spawned by lingering economic difficulties aggravated by the Mt Pinatubo disaster, it said.

Perceiving that industrial operations were hardly accelerating, the country's oil industry saw no pressing need to augment local supply. This explains the lower import volume as of end-July this year, the OEA said. As proof of the sluggish industrial demand, overseas purchases of crude and refined petroleum products went down by 8.46 percent and 11.91 percent, respectively, from their year-ago levels.

Meanwhile, the OEA disclosed that with a large number of American military personnel abandoning Clark Air Base due to the massive destruction wrought by Mt

Pinatubo's eruptions last June, the country's oil sales to the U.S. bases sharply plunged.

Thailand

Amaret Talks With USTR Hills on Patent Issue

BK1110011991 Bangkok THE NATION in English 11 Oct 91 p A2

[Text] Kuala Lumpur—U.S. Trade Representative Carla Hills said yesterday Washington still had some concerns about a clause dealing with compulsory licensing in the amended version of Thailand's patent law on pharmaceutical protection.

Hills said after meeting the American Business Council in Kuala Lumpur that there were some concerns with the extent of coverage and term "compulsory licencing" but she refused to go into details. "These are the areas we are going to have to evaluate," she said.

Hills declined to say whether the progress made by the Thai side was enough to remove the nation from the U.S. watch list of countries subject to trade retaliation under section 301 of the Omnibus Trade bill. "But I think Thailand is moving appropriately," she said.

The U.S. would make a final judgment on the Thai case in late February, Hills said.

Commerce Minister Amaret Sila-on said after his meeting with Hills here on Wednesday that the U.S. had tabled a counter-proposal to the amended version of Thailand's patent law. He added that the Thai and U.S. positions on patent law were much closer but refused to elaborate.

Amaret briefed Hills on the progress made by Thailand in forging a new patent law. The amended version of the law was submitted to the Cabinet and returned for amendment.

Hills said she had encouraged ASEAN during her meeting with the group's economic ministers to participate fully in GATT talks on market access, tariffs and non-tariff barriers and the service sector.

Foreign Minister Meets French Counterpart 8 Oct

BK1010151691 Bangkok Voice of Free Asia in Thai 1030 GMT 10 Oct 91

[Text] Thai Foreign Minister Asa Sarasin said on 8 October in Paris, the French capital, that French Foreign Minister Roland Dumas will tour Vietnam and Laos after a visit to Cambodia which starts on 22 November.

Asa said that he held talks with Dumas on issues of the Asian region, especially the Cambodian problem which is nearly resolved now. He said both were happy that the Cambodian peace accord to settle the problem, which has lasted for over a decade, is scheduled for signing in Paris on 23 October.

Regarding the situation in Burma, Asa informed Dumas of the Thai Government's constructive engagement policy, which seeks to draw the Burmese to the outside world.

On the occasion, Asa also invited Dumas to visit Thailand.

The Thai foreign minister's visit to France came after officials of the Heng Samrin regime complained that CGDK armed forces led by the Khmer Rouge violated a ceasefire that all sides agreed to in July.

Border Patrol Forces Overrun Separatist Camp

BK1010150091 Bangkok Army Television Channel 5 in Thai 1230 GMT 10 Oct 91

[Text] A group of 54 border patrol policemen and soldiers yesterday morning clashed with separatist bandits in Yala Province for about an hour. The clash occured when policemen and soldiers, accompanied by sniffing dogs, found a camp belonging to the PULO [Pattani United Liberation Organization] separatist group of Haji Da-o Thanam in Tambon Talingchan, Bannang Sata District, Yala Province. The forces exchanged fire with about 15 bandits guarding the camp. The bandits retreated after an hour-long clash leaving behind large trails of blood. Authorities believed they had wounded several. No casualties were reported among government forces. The camp was a medium-sized camp of seven huts which could accommodate about 21 persons. The authorities also found a large amount of weapons. Before pulling back in the evening, the forces burnt down the camp, totally destroying it.

The group of bandits under Haji Da-o Thanam is the remaining PULO group still active in Yala Province. On 4 October, the group planted a bomb at a shophouse in Khokchang village of Thanto District, Yala Province, and demanded 500,000 baht protection fees.

Draft AIDS Law Dropped; Ruled Not Necessary

BK1110013191 Bangkok THE NATION in English 11 Oct 91 p A2

[Text] A highly controversial draft AIDS law that has been debated for almost three years was summarily dropped after 90 minutes of discussion at Government House by doctors, legal experts and political scientists yesterday.

The Draft AIDS Law Review Sub-Committee, chaired by PM's Office Minister Khunying Saisuri Chutikun ruled that a law for controlling the spread of AIDS in Thailand is "not necessary at this time".

Authors of the draft, Thammasat law professor Kaewsan Athibho and adviser attached to the PM's Office Police Major Yongyut Sarasombat, defended their case against criticism that the law would cause discrimination against AIDS patients.

"This law would not automatically mean that people with AIDS get locked up. It will be selectively enforced depending on the case ... measures will depend on the good judgment of government officials," said Kaewsan.

But Dr Wirasit Sitthirai of the Chulalongkon University Population Studies Institute argued that such a system would be open to abuse and lead to the violation of human rights.

The focus of much criticism was the draft's Section III, which empowers government officials to test "persons with AIDS or suspected persons with AIDS", and mete out various levels of punishment to those who fail to comply with regulations.

Navy Chief on Maritime Interests, 'Blue Navy'

BK1110021191 Bangkok BANGKOK POST in English 11 Oct 91 p 4

[Interview with Navy Commander-in-Chief Admiral Vichet Karunyawanit entitled: "Charting The Course for a Deep-Sea Thai Navy"]

[Text] Q: What are your policies for the Navy?

Adm [Admiral] Vichet: The global and regional situations have changed positively. The Free World and Communist World have become more friendly and countries in Southeast Asia have been moving toward rapproachement.

Nevertheless, the Navy is responsible for defence of maritime interests in the Gulf of Thailand and part of the Andaman Sea.

A major policy calls for procurement of frigates with over 1,800-ton displacement, advanced weapon systems and electronic measures and counter-measures to meet the Navy's deep-sea defence commitments.

For the reason, Chao Phya-class frigates have been pruchased from China. Some will be armed with Harpoon missiles from the United States. We need several more frigates as the aging ones are waiting to be decommissioned.

The frigates are deployed to maintain sea lines of communication (SLOC) for mercantile vessels, over 50 oil rig platforms and thousands of fishing trawlers in the Gulf of Thailand.

We look at the scenario in which the US forces withdraw from Southeast Asia and countries in the region have to rely more on their own defence capabilities.

Dispute over the Spratly Islands in the South China Sea through which mercantile vessels sail enroute to and from Thailand remains unresolved and this might again intensify into armed conflict between countries in the region.

Q: Under such circumstances, how are you going to carry out the Navy's duty to maintain maritime interests of fishing trawlers and other civilians using the Gulf as a sea line of communication?

Adm Vichet: We're in the process of making a "blue navy" which will sail farther out into the deep sea instead of a "brown navy" which only conducts shore patrols.

The US forces in Southeast Asia have taken care of deep-sea patrols and SLOC defence in the outer part of the Gulf and South China Sea.

In such a situation, we mainly deploy small, fast patrol craft. But the US military forces are moving out and we have to adjust to the current situation.

Since the time of my predecessor, Adm Praphat Krisnachan, we have begun to develop ourselves from the "brown navy" into the "blue navy."

Q: What are you going to do about sea piracy, with regards to the Songkhla naval station on the Gulf coast and the Phangnga naval station on the Andaman Sea?

Adm Vichet: The Phang-nga naval station needs more Navy ships to protect fishing trawlers from sea pirates in the Andaman Sea. The Songkhla naval station might be upgraded as a naval base because of its increased role in maintaining the maritime intersts.

By the way, the Navy is to protect coral reefs, mangrove forests and see to it that no fishermen will use explosives to get some catch or net the fish during the breeding season.

Q: What do you think about the proposal that the Air Force look after all military aircraft? Deputy Air Force Commander-in-Chief ADM [Air Defense Marshall] Anan Kalintha personally suggested that the Air Force take care of the Navy's aircraft.

Adm Vichet: In terms of repair and maintenance, the Navy would need some help from the Air Force. The Air Force's Aeronautical Engineering Department and Thai Airways International help us repair planes and helicopters. The Navy's pilots are trained by the Air Force and attend the Air Force Staff College.

In terms of strategic operations, the Air force's combat aircraft may conduct interception and attack missions to keep enemy aircraft out of Thai airspace.

But in term of tactical operations in a combat scenario, the Navy's aircraft are a vital part of naval warfare missions just like the big guns mounted on battle ships. Instead of letting enemy forces close in on our ships, we must contain their offensives with our combat aircraft.

The naval combat aircraft provide close air support for surface ships, conduct coastal attacks and play an important part in the anti-submarine warfare (ASW) mission.

Navy officers have been trained for the ASW mission since they graduated. They need to know in which direction the submarine is headed as they fly a plane up there.

Tactically speaking, the Navy needs to take care of its own aircraft.

Q: Jane's Defence Weekly reported that the Navy has informally agreed to purchase 30 AJ-7E Corsair attack aircraft from the United States. Delivery of the jets, which are to be the Navy's first ever, was reported to begin in early 1993. Are you confirming this?

Adm Vichet: The Navy is interested in purchasing some Corsair aircraft but we have to look into figures and other details to be provided from the US. We'll need ground support facilities for the A-7.

After all, it may or may not be the Corsair. We're studying it.

Q: What about news reports that the Navy will get some P-3 Orion turbo-prop planes from the US to conduct the ASW mission?

Adm Vichet: The P-3 planes are in the process of procurement under the US Foreign Military Sales programme. They will be deployed to look after Thailand's exclusive economic zones in the Andaman Sea. Delivery of three P-3s might begin next year.

Q: It was also reported that a helicarrier—also the Navy's first ever—will come from Germany in the near future. Would you confirm this?

Adm Vichet: Not exactly. We have to start the procurement process again in fiscal 1992. The helicarrier, procurement of which was approved by the previous government, is not costly. It can deploy 10 to 12 helicopters. The helicopters don't have to return to shore for refuelling or maintenance.

Primary mission of the heli-carrier are civilian related. It is to protect the Gulf oil rig platforms and conduct search and rescue of victims of natural disasters such as the devastating Typhoon Gay.

Commentary Examines Bribery Charges Against Army

BK1110020191 Bangkok THE NATION in English 11 Oct 91 p A10

[Commentary by Sophon Onkghara under the "Sideline" rubric]

[Text] Ex-member of the House of Representatives, Chaturon Khotchasi, has touched the raw nerve of the military institution when he suggested that there were kickbacks in the procurement of defence equipment by the armed forces. His allegations were later echoed by MR [royal title] Sukhumphan Pariphat, a university lecturer and academic, that since gift cheques were branded as instruments for bribery, then commissions from arms purchases should be included in the same category.

Their courage was commendable, but they should have expected the very obvious outcome due to their actions.

As highlighted by the mass media, not only have their assertions been immediatly and vehemently denied by the armed forces leaders but also Chaturon has been named as a defendant in a charge filed in the Criminal Court by the army chief Gen [General] Suchinda Khraprayun who insisted that there wouldn't be a compromise. Furthermore, there was a stern warning by air force commander-in-chief Air Chief Marshal Kaset Rotchananin that the military establishment will take legal action against anybody who comes up with baseless allegations that there is corruption in the armed forces.

Those possessing evidence of such wrong doing should step forward, demanded Kaset, who was joined by Gen Wirot Saengsanit, the army chief-of-staff, and Deputy Defence Minister Gen Wimon Wongwanit. Other military leaders also hopped on the bandwagon to echo similar calls.

It came to the same thing or so it seems, that there has been no corruption all the while within the armed forces and that all the military leaders have clean hands and souls.

Have our armed forces leaders suddenly become litigious by taking the much-publicized legal action against Chaturon and threatening to take to court anyone who dares to make defamatory statements? Certainly not, I would say. It's just that they want to show to the public that their dignity and honour must be defended in an acceptable manner—through a court of law.

Suchinda went further though saying that the army has so far never received commissions from arms deals. Kaset thundered that all arms procurements had been made through committees which had to thoroughly screen all proposals. Wirot backed them up with a statement that most defence equipment purchases had been made under government-to-government arrangements. There were only some procurment contracts concluded under special arrangements, without bidding, due to extremely urgent needs.

They were right in all aspects. It is unthinkable for the army, or any other branch of the armed forces to demand commissions of arms procurement contracts awarded to the sellers. Only naive people would think that there was such practice. But the military leaders conceded that the local agents were the ones who usually received commissions.

This should be the point for further debate. By definition, commissions on commercial transactions are legal in most, if not all countries. In some cases they are called brokerage fees. It would not be exactly illegal for the army or the armed forces, as an institution, to receive commissions which should instead be called as special discounts, rebates, or concessions. Thai Airways International routinely received concessions from suppliers of aircraft and engines and there was nothing wrong with it.

Commissions and kickbacks are entirely different. When the manufacturer or seller of arms pays a fee to his agent, it is called sales commission, as a reward for his efforts in winning contracts either through lobbying, arrangements of junket trips and accommodations for the buying team to visit weapon manufacturing plants, so on and so forth. The commissions, in most cases, are in addition to "ground-paving" expenses paid prior to the contract received.

But when the agent shares his commissions with persons in official positions who granted him favours, which could either take on the forms of an exercise of influence, commission or distortion of basic facts, drawing up of favourable specifications, disclosure of rival bids, and arrangements of presentations of the right eyes and ears, then the amount or amounts dispensed would be known as kickbacks.

Individuals in government service who accepted a portion of commissions from the sales agents are not in legal terms receiving commissions. They in fact have received kickbacks, though they amounted to the same sums of money. Most people would not reject commissions, but honest people certainly would turn down kickbacks.

Receiving kickbacks is of course illegal in all, if not most, civilized societies. It is also a serious criminal offence, no matter what offices or agencies are involved. That's why the U.S. has long enforced what is generally known as the Foreign Corrupt Practices Act which prohibits its citizens and corporate entities to offer kickbacks to foreign government officials in return for supply contracts. The Lockheed scandal started it all about two decades ago and it has ruined the future of quite a few Japanese and South Korean political leaders.

I don't believe that both Chaturon and MR Sukhumphan were confused by the definitions of commissions and kickbacks. Chaturon is a lawyer, and Sukhumphan the lecturer is a very learned man who commands considerable respect in the academic world. They know that in the countries generally regarded as banana republics, handsome kickbacks were usually given for defense equipment purchases—at grossly overinflated prices. These equipment are usually faulty or their technology outdated and are sold by the favoured few dealers who have built strong connections through the many years of close association with army leaders.

Both Chaturon and Sukhumphan should have stated specifically that it was likely for some individuals—within the period since our country modernized its armed forces—to have received kickbacks from arms dealers. Such kickbacks, they could have said, might be something like sponsorship for wedding parties, supplementary credit cards, blank or gift cheques, valuables, golf course memberships in gratis, luxury condominium units, big houses, limousines and expensive presents such as diamond rings and Rolex watches; all for compassionate reasons.

It is highly unlikely, if not impossible, that they can pinpoint any figures whom they suspect were the recipients of kickbacks, for such payments were made without receipts from the beneficiaries. It would be very stupid for the recipients to produce self-incriminatory or damning evidence.

Armed forces in the Third World, whose leaders are crooks, are more susceptible to these kinds of arrangements so that they can amass ill-gotten gains, resulting in the inefficiency of their defence capability. That's why military leaders in corruption-plagued developing and underdeveloped countries enjoy massive wealth which could never be acquired within their lifetime if they just relied on their salaries and savings.

Because of this some weapons without being tested for their battle-worthiness had been acquired, or would be purchased, all for the sake of fat kickbacks for the fat cats in powerful positions. Third World generals and government officials love these kinds of deals. It's a short cut to get rich quick.

So we have to accept the word of our military leaders that there are absolutely no crooks or corruption within the army or any other branch of the armed forces. After all they are honorable men who are totally dedicated to the defence of our country.

We should understand that if some of them happen to be unusually wealthy, or own more than one house, or have large savings to invest in golf courses and country clubs, or construction companies, they then must have acquired the extra income through other honest means.

On the other hand, their wives could have been born with silver spoons in their mouths and endowed with a business acumen to further build up more fortunes.

It seems that our military leaders just didn't have the appropriate opportunity to explain it to the doubting public.

However, there was no need for them to do so. Besides, they had already filed reports on their financial standing and assets owned to the Counter-Corruption Commission [CCC]. Our armed forces leaders with unshakeable integrity would not have enough courage to commit misdeeds or lie to the fearsome CCC.

If indeed they had questionable wealth to hide, they would not have sacrificed their reputation and professionalism in staging the coup on February 23 and immediately initiating summary actions against the politicians whom they thought had amassed a considerable amount of wealth.

They considered it a patriotic deed based on the self-abrogated right of the Big Brother to take care of us all small people.

Let's believe them: that there is neither corruption nor crooks in the armed forces.

Vietnam

Quang Ninh Leaders Invited To Visit Guangxi

BK0610044691 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 1 Oct 91

[Text] On the occasion of the 42d national day of the People's Republic of China, a large number of Chinese people have crossed the Bac Luan border gate in Hai Ninh District, Quang Ninh Province to visit their relatives and to do business with the Vietnamese people.

On this occasion, the Chinese district of Phong Thanh, Guangxi Province, invited leaders of the Vietnamese districts of Quang Ha, Binh Lieu, and Hai Ninh, Quang Ninh Province to attend national day celebrations with the local Chinese people.

Chinese Xin Hai Revolution Commemorated 9 Oct

BK0910155591 Hanoi VNA in English 1456 GMT 9 Oct 91

[Text] Hanoi VNA Oct. 9—A symposium on the Xin Hai democratic revolution of China was held here today on the occasion of its 80th anniversary (1911-1991).

It was jointly organized by the Vietnam Revolution Museum, the Vietnam History Science Association, the history faculties of the Hanoi University and the Hanoi Teachers Training College, and a number of institutes under the Vietnam Institute of Social Sciences.

Present at the symposium were, among others, Prof. Dang Xuan Lky, member of the party Central Committee and director of the Marxism-Leninism Institute, and Prof. Ha Hoc Trac, member of the party Central Committee and president of the Vietnam Union of Scientific and Technical Associations.

Ti Jiazhong, counsellor of the Chinese Embassy in Vietnam was also present at the function.

Nearly 30 reports presented at the symposium brought out the significance of the Xin Hai revolution, the spirit of the three people's principles (nation, civil rights, and people's welfare) initiated by Sun Yatsen, leader of the Xin Hai revolution, and its influence on Vietnam.

Addressing the function, Counsellor Li Jiazhong expressed his joy at the quick steps in the normalisation of Sino-Vietnamese relations.

Officials Attend Seminar on Sony TV Equipment

BK0810134991 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 4 Oct 91

[Text] A three-day seminar on television equipment produced by Sony Corporation was jointly organized from 2-4 October by the Vietnam Television Network and the Japanese Sony Corporation.

Attending the seminar were Comrade Phan Van Khai, first vice chairman of the Council of Ministers; Comrade Tran Hoan, minister of culture, information, and sports; Comrade Tran Xuan Giao, chairman of the Office of the Council of Ministers; Comrade Nguyen Dy Nien, deputy minister of foreign affairs; Comrade Huu Tho, vice chairman of the party Central Committee Ideology and Culture Commission; Comrade Mai Ky, vice chairman of the State Planning Commission; Comrade Nguyen May, vice chairman of the Foreign Investment and Cooperation Commission; representatives of the various central organs concerned; and many cadres of the Vietnam Television Network and nineteen northern television stations.

Mr. Hiroyuki Yushita, Japanese ambassador to our country, and many specialists of the Sony Corporation and other Japanese firms in our country also attended the seminar.

Mr. Pham Khac Lam, director general of the Vietnam Television Network, and Mr. Shumazu, general managing director of the Sony Corporation, addressed the opening of the seminar.

The objective of the seminar is to introduce to Vietnamese television workers the new technological innovations and techniques relating to the utilization and maintenace of the corporation's television equipment.

Sony is producing special purpose, high quality television equipment in use all over the world.

The seminar also aims at equipping Vietnamese television cadres with modern technical knowledge needed to enhance the quality of television programs and to expand the coverage of the Vietnam Television Network.

Australian Minister Views Bilateral Relations

BK0810134191 Hanoi Voice of Vietnam in English 1000 GMT 3 Oct 91

[Read by announcer]

[Text] Nick Bolkus, Australian minister for administrative services, says: We regard our relationship with Vietnam as sound and expanding.

The Australian minister who was in Vietnam for the opening last Thursday [26 September] of the Australian Embassy complex recalled that his country established diplomatic relations with the then Democratic Republic of Vietnam [DRV] in 1973. He went on: Since 1973, the relationship between Australia and Vietnam has expanded dramatically and the opening of this new complex in a sense is the physical manifestation of that growth. When the embassy was first established on this site in 1978, the volume of trade was low and the political relationship was underdeveloped.

Now, however, Vietnam has become an important partner for Australia not only in terms of the bilateral political relationship but also in the commmercial and cultural fields as well as in terms of people-to-people links. We regard our relationship with Vietnam as sound and expanding.

Over the years and despite different social systems, we have faithfully developed substantial and effective dialogues on bilateral, regional, and global issues. Australian companies are showing an increasingly keen interest in Vietnam as the economic reform in this country has widened trade and investment opportunities.

Recognizing the scope of economic cooperation, our two governments have given priority to putting into play a framework of agreement to faciliate and stimulate growth in the commercial relationship. There will no doubt be scope to develop that framework further.

The relationship has developed in other fields as well. Academic and cultural exchanges now occur on a regular basis. Increasing numbers of Australian visitors, many of them of Vietnamese origin, are coming to Vietnam. This has been facilitated by the introduction of direct flights from Australia.

All these aspects have contributed to consolidating the friendly and cooperative bilateral relationship between Australia and Vietnam.

Vice Premier Meets Australian Radio President

BK0910084091 Hanoi VNA in English 0553 GMT 9 Oct 91

[Text] Hanoi VNA Oct 9—Vice Premier Nguyen Khanh told radio ABC President Malcolm Long on Monday he hoped that the Australian Broadcasting Corporation would be the forerunner in assisting radio Voice of Vietnam in personnel training and upgrading its broadcasting facilities.

In a talk with Mr. Malcolm Long in Hanoi, Vice Premier Nguyen Khanh expressed the Vietnamese Government's thanks to the Australian Government and radio ABC for their efforts to promote the existing cooperation between the two countries, particularly in field of radio broadcast and television.

Nguyen Khanh also told the radio ABC president the significance of wireless communication in Vietnam, a country with more than 90 percent of its population living in the countryside where radio programmes are an important means to keep people well informed of what is going on in the world, as well as in Vietnam. He said he hoped that in future Australia would also help Vietnam produce high- quality radios at affordable prices.

In reply, Mr. Malcolm Long thanked the Vietnamese Government officials for their warm reception. He expressed his hope that with support from the two governments cooperation between radio ABC and Voice of Vietnam would further develop.

Mr. Malcolm Long arrived in Hanoi on October 3.

Thai Official on Diplomatic Relations, Renovation

BK0810114691 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 7 Oct 91

[Interview with Wira Susangkonkan, Thai Deputy Minister of Industry, by an unidentified Vietnam radio station correspondent on Cooperation Relations Between Vietnam and Thailand; place and date not given—the deputy minister answers questions in Thai fading into Vietnamese translation; recorded]

[Text] [Correspondent] Mr. Deputy Minister, could you please inform me about the industrial cooperation between Thailand and Vietnam?

[Wira] In reality, the cooperation has been going well between the two countries, especially at the two countries' Ministries of Industry.

Our delegation contacted the Vietnamese Ministry of Industry in May and August 1991. This is the third time we went to Vietnam for the two countries' cooperation in the oil and gas industry. We see that the cooperation is going well.

We know that in Bach Ho Well, crude oil has been exploited but the exploitation of natural gas has not been done. We also know that there is a lot of crude oil in the well and Vietnamese crude oil can be sold straight away.

We have held talks with Vietnam three times. On this visit to Vietnam, we would like to reach an agreement as a result. We would like Vietnam to exploit its natural gas and oil resources in the future because Thailand will be Vietnam's customer. If an agreement can be reached, we strongly believe that this will contribute to encouraging foreign investment in the field of oil exploration and exploitation in Vietnamese continental shelves.

If we can have an agreement on natural gas trading signed during Chairman Vo Van Kiet's visit to Bangkok in October 1991, we will start the investment for exploitation to assess the reserves. When we know the reserves, we think that Vietnam will be happy to find out that it has abundant resources in natural gas which can be exploited for good use.

[Correspondent] Can you tell us your thinking about the renovation in Vietnam at present?

[Wira] I think at present, Vietnam is implementing an open-door policy to develop its economy. I would say that this is the correct policy because Vietnam has 65 million people and a lot of natural resources.

The Vietnam Investment Law and the Law on Investment Encouragement are very attractive. This is good. I believe that Vietnam will develop quickly if it attracts foreign capital.

Thailand is Vietnam's neighboring country and also an exit that can receive goods from Vietnam and later circulate them in the international market. At the moment, Vietnam is facing an economic embargo which affects Vietnam in different areas such as obtaining loans and conducting business. If Vietnam cooperates with Thailand, we think that the economic blockade will have less effect.

We wish Vietnam to become prosperous and its poverty of the last dozens of years to become a thing of the past.

Thai Foreign Minister Interviewed on Cooperation

BK1110092591 Ho Chi Minh City SAIGON GIAI PHONG in Vietnamese 20 Sep 91 pp 1, 4

[Report by Tuy Hoa and Hong Son on Thai Foreign Minister Asa Sarasin's interview with SAIGON GIAI PHONG correspondent at Saigon Floating Hotel prior to his departure from Ho Chi Minh City for home on 19 September]

[Text] Correspondent: Your Excellency, in the past, a prominent leader of Thailand endorsed the policy of "turning Indochina into a marketplace." Is this also Thailand's policy toward the Indochinese countries at present?

Minister Asa Sarasin: I want to see that peace is restored in this entire region. We will have a lot of things if we cooperate with each other. The market of the ASEAN bloc has 300 million people or well over 400, if one includes Vietnam, Laos, Cambodia, and Burma.

Correspondent: Your Excellency, do you think that the level of cooperation between the two countries is still low, and what has hindered this process?

Minister Asa Sarasin: So far, I do not see any obstacle to our bilateral cooperation. However, I can say that a new stage of cooperation has been created by the two countries.

Correspondent: On which basis does Your Excellency place your confidence in the development of the Southeast Asian region?

Minister Asa Sarasin: I believe in the potential of the Asia-Pacific region. As you, friends, might have seen, Vietnam is loaded with enormous wealth—its manpower and surface and underground natural resources have not yet been fully exploited and your people are very diligent and do not mind hardship. It is these assets which will have effects on future development. Vietnam can cooperate with Thailand and, through Thailand, can expand its relations with the countries in the ASEAN bloc. Once the countries in the region actively cooperate with each other, the future of the region will be bright.

Correspondent: Your Excellency, do you have any concern about the U.S. economic embargo against Vietnam?

Minister Asa Sarasin: We cannot make any comments on the relations between the United States and Vietnam. We wish that cooperation between Thailand and Vietnam will develop constantly. And this visit reflects that viewpoint. In my opinion, the U.S. embargo against Vietnam is only a temporary issue. Thailand, your country, China, and other countries all want to solve the Cambodian issue at an early date. That wish is close to coming true.

Correspondent: Is Thailand subjected to any U.S. pressure when it does business with Vietnam?

Minister Asa Sarasin: Oh no, the United States cannot give any order to Thailand.

Correspondent: Your Excellency, can you tell us something about your meeting with Thai traders who are doing business in Ho Chi Minh City?

Minister Asa Sarasin: I asked them about the difficulties they encountered in investment in Vietnam and what the Thai Government could do to help them succeed in their investment. I also reminded them that Thai investment in Vietnam creates favorable conditions, not for Vietnam's development but also for Thailand's development.

Correspondent: Your Excellency, will you please let us know the most important results you have achieved in this visit to Vietnam?

Minister Asa Sarasin: In my opinion, there are three things. First of all, we have been able to create a mutual understanding. In the past, there were times when the two sides misunderstood each other. Now, we must write off that unhealthy thing in order build up the faith between the two nations and to look straight toward the future. Second, this visit to Vietnam has laid the foundation for multisided cooperation between the two countries. The important thing is that the two countries must cooperate with and assist each other in order to develop themselves together. Lastly, through this visit, we invite the Chairman of the Council of Ministers of Vietnam to visit Thailand. We hope that the visit will take place in the near future.

Correspondent: Thank you, Your Excellency.

Cambodian Ambassador Awards Units, Individuals

BK0810135691 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Oct 91

[Text] This afternoon, 3 October, in Hanoi, Uch Borit, Cambodian ambassador extraordinary and plenipotentiary, empowered by the Cambodian Council of State, conferred forty-three National Defense Orders, second class, to a number of units and nine Friendship Orders and sixteen Friendship Medals on various individuals who have outstandingly helped train cadres of the Cambodian Armed Forces.

Attending the order-presenting ceremony on the Vietnamse side were Comrade Vu Mao, member of the party Central Committee and president of the Vietnam-Cambodia Friendship Association; Senior Lieutenant General Tran Van Quang, deputy minister of national defense; and representatives of the Ministry of Foreign Affairs, the party Central Committee External Relations Commission, and units of the Vietnam People's Army [VPA].

Indonesian Embassy Celebrates Armed Forces Day

BK0510164091 Hanoi VNA in English 1555 GMT 5 Oct 91

[Text] Hanoi VNA Oct. 5—Indonesian Ambassador Aswismarmo gave a reception here this evening to mark the 46th Armed Forces Day of Indonesia.

Among his guests were Deputy Defence Minister Senior Lieut. Gen. Tran Van Quang and Assistant Foreign Minister Tran Huy Chuong.

The Indonesian diplomat proposed a toast to the further consolidation and development of the solidarity between the peoples and armies of Indonesia and Vietnam.

General Tran Van Quang took this occasion to convey his best wishes to President Suharto and the leaders of the Indonesian state and Armed Forces.

Vo Chi Cong Meets Iran's Vice Foreign Minister

BK0910153191 Hanoi VNA in English 1430 GMT 9 Oct 91

[Text] Hanoi VNA Oct.9—President of the State Council Vo Chi Cong today received here Ala-ed-Din Borujerdi, vice-minister of foceign affairs of the Islamic Republic of Iran, and his party who are visiting Vietnam.

The Iranian diplomat conveyed a message from President Rafsanjani to the Vietnamese president expressing wishes for the development of the friendship and cooperation between the two countries.

President Vo Chi Cong welcomed the visit of the Iranian vice foreign minister and asked him to convey his thanks and best wishes to president Ali Akbar Hashemi Rafsanjani (?and) the Iranian people.

Vice Foreign Minister Nguyen Di Nien and Iranian Ambassador to Vietnam Reza Hoseyn Mirza-Taheri were present at the reception.

Membership in Regional Education Body Approved

BK0810064191 Hanoi VNA in English 0615 GMT 8 Oct 91

[Text] Hanoi VNA Oct.8—A delegation of the Southeast Asian Ministers of Education Organisation (SEAMEO) led by Chairman Dr. Carino has paid a working visit to Vietnam at the invitation of the Ministry of Education and Training.

The SEAMEO officials discussed with concerned bodies ways to promote the educational cooperation between Vietnam and SEAMEO as well as the Philippines.

In a working session with a Vietnamese educational delegation led by Minister Tran Hong Quan, Mr. Carino, who is also minister of education, culture and sports of the Philippines, agreed to admit Vietnam to SEAMEO.

While in Vietnam, the guests toured various universities and colleges in Hanoi.

Consultancy for Development Symposium Held

BK0810151591 Hanoi VNA in English 1426 GMT 8 Oct 91

[Text] Hanoi VNA October 8—The consultancy centre for technology transfer and investment (CONCETTI) in collaboration with the people's committee of Ba Ria Vung Tau Province east of Ho Chi Minh City held a consultancy for development symposium in early October under the sponsorship of the United Nations Development Programme (UNDP) and the Asian and Pacific Development Centre (DPCP).

The symposium discussed the need of consultancy activities in Vietnam and measures to imporve them and to coordinate consultancy work in the country and abroad.

A number of foreign consultancy companies in Vietnam also sent their representatives to the symposium. The participants put forward a nine-point proposal aimed at, among other things, stepping up preparations to found a consultancy league in Vietnam.

UNDP Official on Foreign Investment Potential

BK0910110991 Hanoi Voice of Vietnam Network in Vietnamese 0015 GMT 5 Oct 91

[Interview With (Michael Gunther), Deputy Chief of the United Nations Development Program [UNDP] in Vietnam by unidentified Station Correspondent; place and date not given—recorded in English fading into Vietnamese translation]

[Text] [Correspondent] Please tell us something about Vietnam's ability to attract foreign investment.

[UNDP official] I must say that Vietnam has great potential for attracting investment. First, Vietnam is quite rich in natural resources comprising different kinds of raw materials. Second, it is equally rich in labor which can be available at reasonable prices. This source of manpower comprises highly professional people who can adapt themselves quickly to modern technology and management procedures. Third, it can be said that despite the fact that so far, existing capabilities have not yet been fully exploited, the scope of the domestic market displays great strengths because a country with a population of 65 million people must necessarily possess very great consumption potential. Another strong point is the ability to export goods to the world market.

Let me list a number of natural resources available in Vietnam. Regarding mineral resources, Vietnam possesses a substantial source of reserves like coal, steel, bauxite, rare stones, and gold. This is not to mention mineral oil, which is a relatively special source of natural resources.

Regarding agricultural products, Vietnam has a wide variety of farm produce, tropical fruit, rubber, traditional medicinal herbs, and a wide variety of precious timber. There is also a rich source of sea products like shrimp, fish, and other rare and precious aquatic products.

Regarding export potential, Vietnam can supply relatively attractive export products to foreign investors. I think that Vietnam can gradually increase its export products to many countries.

[Correspondent] Do you have any evaluation of Vietnam's prospects for attracting investment?

[UNDP official] I would say that in the short range, Vietnam has a number of goods capable of attracting foreign investors, like natural resources, farm produce, and light industrial products. These three categories of goods are capable of attracting short-term investment. Some minerals like precious stones, gold, opaque stones, and so forth require special investment knowledge but are highly capable of attracting foreign investors.

With regard to light industries like ready-made garment manufacturing, coal production, electronics goods assembly, lacquerware, furniture, and ceramicware, UNDP has assigned spcialists to Vietnam to help formulate the law on investment, assess and review mechanisms, as well as make investment decisions before suggesting ways to improve investment-related mechanisms, procedures, and regulations.

Noteworthy is the fact that UNDP and Vietnam organized a forum on investment in Ho Chi Minh City in March of this year. The forum reflected the quality of the law on foreign investment already passed by the Vietnamese Government. The forum attracted more than 400 foreign guests and 1,100 delegates from various Vietnamese agencies. One day before the forum concluded, more than 100 projects were selected for negotiations between Vietnamese and foreign agencies. Some 46 letters of intent were also considered by foreign investment agencies.

Since then, a number of projects have been selected and put into operation. These are the considerable results of the forum on foreign investment. It is UNDP's policy to give Vietnam continuous and regular assistance to promote investment.

Romanian Premier Sends Message of Sympathy

BK0910153991 Hanoi VNA in English 1432 GMT 9 Oct 91

[Text] Hanoi VNA Oct.9—Petre Roman, prime minister of Romania, has sent a message of sympathy to Chairman of the Council of Ministers Vo Van Kiet over the heavy losses in lives and property caused by the recent floods.

Flood Damage in Kien Giang Province Reported

BK0910130191 Hanoi Voice of Vietnam Network in Vietnamese 2300 GMT 6 Oct 91

[Text] Six districts, 21 villages, 35,000 households and 125,000 people are threatened by flashfloods and 1,000 households have to get food aid from the state. Some 96 classroons have been closed and next week 400 more classrooms will be closed.

Damage to rice and subsidiary food crops included 5,800 ha of summer-fall rice totally lost and 8,000 ha of summer-fall rice harvested too early to avoid floods causing a 30-50 percent decrease in yield. Some 1,000 ha of 10th-month rice of high export value in Tan Hiep, Giong Rieng and Chau Thanh districts are being affected by insects and risk being completely lost.

Thousands of hectares of secondary food crops, industrial plants and fruit trees such as pineapples, cashew, and legumes in villages along the border have been totally washed out by a second flood. The total losses caused by flashfloods amounted to 50 billion dong.

The party committee and the people's committee of Kien Giang province have adopted specific policies for the immediate use of 1 billion dong of the provincial budget and 200 tonnes of rice to rescue the flood victims and reserve space in warehouses and offices to temporarily shelter the people.

The transportation and communications sector has coordinated with the armed forces, the border defense force, and the 330th regular army division to be ready in the crucial flood areas to evacuate the people and their property and to increase the number of health teams with a large volume of medicines in order to be ready to cope with possible epidemics.

General Le Kha Phieu Speaks at Navy Congress

BK0710151691 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 2 Oct 91

[Report by Khanh Toan on second-round congress of delegates of the Navy's party organization held on 25-28 September]

[Summary] "From 25 to 28 September, some 201 delegates representing more than 8,000 party members in the Navy attended its seventh second-round party organization congress. Outstanding party members from all party organizations directly subordinate to the Navy's party organization brought along with them to this congress a clear understanding of the political responsibilities of each of them and of their entire force toward the defense of the country's territorial waters and continental shelves against the backdrop of the present situation in the world and the country."

Prior to convening its seventh second-round congress, the party organization of the Navy forwarded the report on the implementation of its tasks over the past five years, 1986-1990, the guidelines for its tasks in the 1991-95 five-year period to all party organizations in the Navy for their suggestions.

At the congress, all the delegates instinctively acknowledged the advantages and difficulties in the face of the present situation and accurately determined the guidelines and programs of action for the party organization in the 1991-95 five-year period. They all asserted determination to apply the Seventh Party Congress' resolutions to the daily activities of the Navy by all means and to make the Navy politically firm and strong in the direction of standardization and constant modernization.

They stressed: To build up the Navy in that direction, it is necessary for the entire party organization and all cadres and party members to clearly apprehend the situation in the world and the country so as to persist in the socialist path chosen by our party and Uncle Ho, and to truly serve as the leading nucleus in all party cells and chapters and the entire Navy.

"Based on the Navy's numeric strength and modern equipment, the party organization showed a high degree of identity of views on the 1991-95 five-year program of action aimed at safeguarding the country's territorial waters, offshore isleands, and continental shelves to create favorable conditions for various economic sectors to exploit the potential of the sea in support of the struggle to make the people prosperous and the country powerful, as laid down in the seventh party congress' resolutions.

"Many views suggested that the party Central Committee, the National Assembly, and the Council of Ministers should define a long-term strategy for the exploitation and defense of the sea areas. That strategy, however, must be combined closely with the plan for appropriate investment in all fields in order to maintain and develop the Naval force through various measures such as legalizing all Naval bases and building more wharves, ports, wharehouses, and piers along with equipping the Navy with vessels capable of operating on high seas.

"Meanwhile, it is necessary to effect unified leadership over all coastal localities with concrete plans aimed at mustering forces to jointly defend the sea areas and offshore islands. It is also necessary to launch a nationwide movement to join forces in safeguarding and exploiting the sea areas, with the practical contributions of all echelons and sectors and every citizen.

"Addressing the congress of the Navy's party organization, Lieutenant General Le Kha Phieu, member of the party Central Committee and standing member of its military commission and director of the General Political Department, conveyed the commendation of the party Central Committee Military Commission and Ministry of National Defense to all party members, cadres, combatants, workers, and persnnel of the Navy. He said:

"After this congress, the Navy will effect new changes in all aspects to make itself worthy of the people's trust and love for a heroic force that has illustrated many traditions and recorded many military exploits in the defense of our territorial waters."

The seventh second-round congress of the Navy's party organization concluded with success. The congress also elected a new 13-member executive committee. Among those elected to the new executive committee are: "Vice Admiral Hoang Huu Thai, Navy commander; Rear Admiral Le Van Xuan, deputy commander and secretary of the party committee of the Navy; and Rear Admiral Mai Xuan Vinh, deputy commander of the Navy."

Vo Tran Chi at 7th Military Region Congress

BK0710103391 Hanoi QUAN DOI NHAN DAN in Vietnamese 27 Sep 91 p 1

[Report by Tran The Tuyen]

[Text] The fourth second-round congress of delegates of the 7th military region's party organization opened in Ho Chi Minh city on 26 September with a spirit of "wisdom, renovation, democracy, and unity." Attending the congress were nearly 200 delegates representing thousands of party members in the military region. Also present were Comrade Vo Tran Chi, member of the Party Central Committee Political Bureau and secretary of the Ho Chi Minh City Party Committee; the comrade secretaries of the party committees and military commissions of the provinces under the jurisdiction of the military region; and representatives from various organs of the General Political Department.

On behalf of the congress presidium, Comrade Nguyen Xuan Hoa, secretary of the party committee of the 7th military region, read the political report of the military region's party committee.

Thoroughly understanding the fundamental viewpoints of the Seventh Party Congress' resolutions, the congress of delegates of the party organization of the 7th military region discussed, reviewed, and assessed the party organization's leadership over the implementation of political and party building work during the past five years (1986-1990) and set forth the guidelines and leadership tasks for the military region's party organization in the 1991-95 five-year period. The congress also elected the new party organization executive committee for the next term of office.

The congress will continue its work until 28 September 1991.

Doan Khue Attends 1st Military Region Congress

BK1010110291 Hanoi Voice of Vietnam Network in Vietnamese 1400 GMT 8 Oct 91

[Report by Dang Van Nhung]

[Summary] The 1st Military Region held its second round third party organization congress on 1-4 October to firmly grasp the Seventh Communist Party of Vietnam [CPV] Congress resolution, strengthen national defense task for the 1991-95 period, review tasks during the past term, and set forth orientations and tasks for the new term.

Attending the congress were 193 outstanding delegates representing tens of thousands of party members in the region. General Doan Khue, member of the CPV Central Committee Political Bureau, deputy secretary of the Military Commission of the Party Central Committee, and minister of national defense attended and addressed the congress.

The military region party organization executive committee presented its political report to the congress. The report reviewed and appraised tasks performed by the 1st Military Region during the 1986-91 period. During the past five years, despite numerous difficulties at home and complicated changes abroad, the military region party organization—with its firm confidence in the party leadership and its faith in the path chosen by the party and Uncle Ho—has actively led the armed forces in the region to triumphantly fulfill all assigned tasks, including the political one, thereby greatly contributing to maintaining political security and social order and safety.

"In his address to the congress, Gen. Doan Khue commended the region's armed forces for their achievements scored during the past five years. He profoundly analyzed developments of the current world situation and their causes. He also analyzed the enemy's various schemes, including the peaceful evolution, elimination of socialism, and establishment of the new world order. He said that in the present situation, all party members must firmly maintain their stand, heighten vigilance, and enhance their combat impetus so as to foil all the enemy's schemes of sabotage.

"Regarding tasks of the military region, comrade Doan Khue expressed his identity of views on the political report of the military region's party organization executive committee. He stressed: efforts should be made to consistently build the party organization, assert the socialist path, uphold the offensive spirit, and foil the peaceful evolution scheme. He said that when the enemies are attempting to carry out sabotage activities against us, we must stand ready for offensive operation to foil their psychological warfare and peaceful evolution scheme. We must combine national defense with the security task. If we want to defend our fatherland, we must protect our regime; if we want to defend our regime, we must protect our party. On this basis, we must strengthen regulations on recruiting party members. Those admitted to the party must be able to realize the role of a party member. They must pay attention to improving party activities at grass-roots units, enhancing the party members' combativeness, and seriously implementing the principle of democratic centralism.

"Comrade Doan Khue specifically called for efforts to strengthen unity with ethnic minorities. He commended the military region for its efforts to assign cadres to build grass-roots units during the past years. He said, however, that the military region should continue to implement the CPV Central Committee Political Bureau's resolution on education of national defense, strive to win the people's confidence, improve the situation in localities, strengthen unity between the army and people, abide by army discipline, promote a harmonious life between soldiers and the people, thereby creating a close relationship between the army and the masses. This is the latent strength of the all-people national defense with which we have had ample experiences during the war of resistance against French colonialism and U.S. imperialism."

During its three-day sitting, the congress discussed in length the orientations and tasks of the 1st Military Region for the days ahead, especially the party building task. The congress also elected a new party organization executive committee comprising many competent cadres.

Renovation in Teaching Marxism at Army Institute

BK0810132191 Hanoi Voice of Vietnam Network in Vietnamese 2330 GMT 29 Sep 91

["Excerpt" from an article by Nguyen Tri Dung on renovation of teaching of Marxism at Politicomilitary Institute]

[Text] The basic function of the Marxist-Leninist philosophy department is to forge the world conception and revolutionary and scientific methodology for students. It gives students creative ability and thinking, and a system of specialized and methodological viewpoints to perceive and solve the practical problems of the revolution and the Army in a correct and effective manner. These viewpoints, principles and orientations are of very great significance to the building and perfection of a system of political and ethical qualities, and to the formation of students' abilities to think and act according to the training objectives.

World conception and methodology are not anything general and abstract. They are always closely linked to each definite class and each definite social force. They reflect the economic and political interests of a given class which is the world conception and methodology of a specific class.

This world conception is manifested by each specific person and by the sociopolitical viewpoints, philosophy of life and life-style of each person. The Marxist-Leninist world conception and methodology are the world conception and revolutionary and scientific methodology of the proletariat which reflect the interests of the proletariat and serve the revolutionary struggle of the proletariat and the laboring people. This conception and methodology must be taught, fostered, and forged to become the world conception and methods of examination and action of each revolutionary person. As a result, in setting a curriculum and scope of Marxist-Leninist teaching we must adhere to the training objectives. In renovating the teaching curriculum and scope, we must firmly grasp the guiding thought concerning the fundamental, systematic and practical features in close connection with the domain of specialized training.

In the curriculum and scope of Marxist-Leninist teaching in the institute, we should emphatically equip students with necessary knowledge about the history of philosophy. On the basis of generally analyzing the history of philosophy before Marx, we must help students clearly see the necessity of carrying on and continually developing the intellectual quintessence of mankind. At the same time, we should criticize and screen out reactionary and unscientific ideologies of various tides of erroneous philosophy.

We should make students profoundly realize the philosophical ideality and political reactionary nature of various tides of modern philolosophy and sociology which antagonize Marxism-Leninism, and on this basis to assert the formation of Marxism-Leninism was a revolutionary turning point in the history of philosophy. Marxist-Leninist philosophy is revolutionary and scientific by nature. It is a great tool of the proletariat and progressive mankind in perceiving and transforming the world.

At a time when the political situation in the world and the country is rife with complex developments, the requirement of renovating the curriculum and scope of Marxist-Leninist teaching must assert Marxism-Leninism is the sole ideology of today's science and the inevitable development result of human philosophy. Marxism-Leninism is a perfect, positive, revolutionary and scientific philosophy. Nowadays, it has to play ever more firmly the indispensable and irreplaceable role in knowledge and practical activities in all domains of social life. Only by steadily adopting the Marxist-Leninist stand, can we correctly perceive the present era and the construction and defense of the socialist homeland pending the current transition period in our country.

To the communist parties, Marxism-Leninism is always the most scientific, revolutionary, and reliable base of world conception and methodology on which to determine all policies and lines correctly. Nowadays, Marxism-Leninism remains the sole scientific and revolutionary base for reorganization, reform, and renovation in socialist countries. If the process of reorganization, reform, and renovation in socialist countries deviates from the basic principles of Marxism-Leninism, it will not be able to avoid failures and huge losses.

Many socialist countries have recently carried out restructure and reform to different extents. As a result of their rejection of materialist dialectics, the theory of the state of social economy, the theory of class struggle and proletarian dictatorship, and due to their vacillation over the historical mission of the working class and the leading role of the communist party, the bourgeosie has succeeded in taking over the administration in some of these countries and the gains of the socialist revolution have been eliminated gradually and capitalism has recovered step by step, causing colossal losses to the world revolution.

Capitalizing on the crises in socialist countries, capitalism and international reactionary forces are seeking all maneuvers to carry out their peaceful evolution strategy to attack and lower the power of Marxism-Leninism and eradicate socialism.

Under such conditions, tides of opportunism, revisionism, and modern non-Marxist philosophy and sociology have competed with one another to criticize Marxism-Leninism and smear socialism. They have disguised themselves under many different forms such as pragmatism, neo-pragmatism, existentialism, postindustry socialism, theory of ideological voidness [thuyeets giair truwf heej tuw tuowngr], democratic socialism, and political pluralism .

In fact, these are theories of the modern bourgeosie which are philosophically idealist and very reactionary politically. The fundamental scope of these theories is aimed at embellishing capitalism and at distorting, then rejecting Marxism-Leninism and socialism. As a result, in renovating the present curriculum and scope of teaching Marxism-Leninism, we must assert the revolutionary and scientific principles of world conception of the proletariat, striving to protect the brightness of Marxism-Leninism and we must have militancy in conducting profound criticism.

In the curriculum and scope, we should have themes that analyze profoundly the reactionary and unscientific nature of some tides of non-Marxist social philosophy and some tides of typical modern opportunism and revisionism. Criticism to expose the reactionary nature of these antagonistic tides of philosophy and sociology must also be included in all the training subjects and forms. We should make students firmly grasp Lenin's teaching when he judged the tides of non-Marxist philosophy and sociology. We should not stop at those formalistic labels but we must see what viewpoints they have used to settle the basic issues of philosophy and at what political goals they are aiming.

The study to clarify the reactionary and unscientific nature of the various tides of non-Marxist philosophy and sociology must enable students to assert and know more profoundly the revolutionary and scientific nature of Marxist-Leninist philosophy.

The Communist Party of Vietnam [CPV] consistently takes Marxism-Leninism as its ideological base. The party line is the correct and creative application of Marxism-Leninism to the realities of the Vietnamese revolution. Nowadays, thanks to firmly grasping the revolutionary and scientific nature of Marxism-Leninism, our party has advocated renovation, has correctly determined the socialist construction line in the period of transition and has achieved important initial results. Therefore, renovating the curriculum and scope of Marxist-Leninist teaching must aim to clarify the scientific base of the renovation policy and the revolutionary socialist line in the transition period. On this basis, we will help students thoroughly understand and assert the principled viewpoints of our party's current renovation process so that they can persevere in following Marxism-Leninism, the renovation process in the direction of socialism and the class viewpoint and struggle, and in asserting the leading role of the CPV, thus intensifying the strength of the state of proletarian dictatorship.

Central Learning Campus Commemorates Anniversary

BK0810115091 Hanoi Vietnam Television Network in Vietnamese 1200 GMT 2 Oct 91

[Text] In Hanoi on 2 October, the Vietnam Education and Science Institute and the Liaison Committee of the Central Learning Campus [CLC] held a seminar on the latter's 40th founding anniversary.

Attending the seminar were professor Nguyen Dinh Tu, secretary of the Communist Party of Vietnam [CPV] Central Committee; comrade Thai Ninh, member of the CPV Central Committee and head of the party Central Committee Propaganda and Training Department; Tran Xuan My, deputy minister of education and training; and a large number of former teachers and students of the CLC. Chinese Charge d'Affaires A.I. to Vietnam Li Jiazhong also attended.

The CLC was established by the Government of the Democratic Republic of Vietnam on 1 October 1951 to produce teachers and scientific-technological cadres for teaching purpose. The CLC is situated in Nanning, China. The Chinese party, government, and people have provided essential materials and facilities to cadres, teachers, and students at the CLC to help them concentrate on teaching and learning.

During the past seven years, the CLC has trained more than 2,500 teachers of various levels, more than 100 scientific-technological cadres, almost 200 students of Chinese literature, and about 4,000 students of general education.

After graduating, many teachers and students from this campus returned to Vietnam and became capable scientists of the Vietnamese nation. Many of them hold high positions in the educational sector and leading agencies of the Vietnamese party and state.

During its developmental stage, the CLC has established a new model of schooling aimed at developing the socialist education, thereby contributing to strengthening the Sino-Vietnamese relations.

Vo Chi Cong Letter to Elderly People Nationwide

BK0610160791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 30 Sep 91

[Letter from Vo Chi Cong, chairman of the Council of State, to the elderly people nationwide on the International Day of the Elderly—date not given]

[Text] Vo Chi Cong, chairman of the Council of State, has sent a letter to the elderly and people throughout the country on the occasion of the International Day of the Elderly, 1 October. The letter says:

I am very happy to learn that in its recent session, the United Nations General Assembly decided to pick 1 October every year as the International Day of the Elderly. This correct decision of the United Nations reflects the world community's deep concern for the elderly.

Thanks to the great achievements of both natural and social sciences, the human life span has been constantly prolonged. As a result, the number of elderly people has continuously increased. Although the increase in the number of elderly people is a most welcome thing, it also poses many problems to society that must be appropriately dealt with.

Caring for the elderly is a very important policy of our party and state. At present, however, many elderly people are still facing difficulties in their daily lives, specially those lonely widows who have no one to rely on or those people whose families' incomes are too low.

On this occasion, I would like to call on our compatriots throughout the country to pay still greater attention to the elderly, following our people's tradition of respecting the old. I hope that all party organization and administrative echelons and all sectors and mass and social organizations will work out programs of action on a regular basis to disseminate propaganda among the people and furnish them with education on the need to care for, assist, and respect the elderly.

Also on this occasion, I would like to convey my kind regards to all the elderly people and warmly commend them for their multisided contributions to our society and country, as well as to wish them good health and many more successes so as to be worthy of the wishes and teaching of esteemed President Ho Chi Minh in his letter to the elderly in 1941.

The responsibility of our elderly toward the country is very great. The elderly have a very heavy part to play in the prosperity and existence of the country. For their families and country, the elderly have the responsibility of being respected personages. The prestige of the elderly in their villages and hamlets is weighty. The people always respond to an appeal made by the elderly and always follow the examples of the elderly.

Let us work together for a better life for the elderly and create favorable conditions for them to realize their aspirations in making contributions to society and the country. In so doing, we will realistically respond to the International Day of the Elderly on 1 October of every year.

My cordial and determined-to-win salutations.

Vo Chi Cong Issues Letter to Fire Brigade

BK0810143791 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 3 Oct 91

[Letter by Council of State Chairman Vo Chi Cong to the Fire Brigade on the occasion of its 30th founding anniversary—date not given]

[Text] Dear comrades,

On the occasion of the 30th anniversary of the day President Ho Chi Minh signed an order promulgating the law on fire fighting —4 October 1961 - 4 October 1991—and the traditional day of all-people preventing and fighting fire, on behalf of the party and state, I cordially convey my kind regards and best wishes to officers, noncommissioned officers, combatants, cadres of the Fire Brigade, and wounded and sick comrades, families of the fallen combatants, and retirees of the Fire Brigade throughout the country.

During the 30 years of struggle to carry out tasks and build the Fire Brigade, under the leadership of the Communist Party of Vietnam [CPV] and esteemed President Ho Chi Minh, and with the wholehearted support and assistance by party organizations and the administration in localities, the Fire Brigade has scored notable progress in many respects. Members of the Fire Brigade have overcome numerous difficulties, made great sacrifices; and motivated mass organizations, sectors, agencies, and the people to participate in the task of fire fighting while actively engaging in studies to formulate the best measures for fire fighting in conformity with conditions in our country. You comrades of the Fire Brigade have actively carried out the preventive work and have promptly put out many major fires during wartime as well as in the current national construction period, thereby minimizing losses to state property and the people's lives and contributing to maintaining political security and social order and safety.

Due to your great performances, the state has conferred the people's armed forces heroic unit titles and many other orders on many members of the Fire Brigade.

On this occasion, I warmly commend members of the Fire Brigade for their achievements over the past 30 years. I would like also to commend sectors, localities, and people throughout the country for their efforts in strengthening unity, coordinating and creating favorable conditions for the Fire Brigade to fulfill its tasks.

Dear comrades, to strengthen the fire fighting task, the state has decided that October 1991 is the month for fire fighting throughout the country and 4 October is the traditional day of all-people preventing and fighting fire.

I hope that party organizations and echelons of the administration of sectors and localities, countrymen, and combatants throughout the country will pay more attention to the fire fighting task, build fire fighting forces at each echelon and in each locality with standard and modern equipment to be able to promptly and effectively fight fires, thereby helping to minimize losses to state property and the people's lives and property.

I hope that all officers, non-commissioned officers, combatants, cadres, and members of the Fire Brigade throughout the country will strive to develop your strength, overcome shortcomings, and actively implement esteemed Uncle Ho's teachings. You should consistenly enhance vigilance; stand ready for your task; refrain from subjectivism and spontaneity; strengthen unity and coordination with echelons, sectors, and mass organizations to triumphantly fulfill the glorious task of fire fighting, thereby contributing to maintaining political security and social order and safety, and satisfactorily implementing the Seventh CPV Congress resolution.

I wish you comrades good health and progress.

Tan Son Nhut Airport Upgrade in Progress

BK0910093891 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 5 Oct 91

[Text] The general corporation of Vietnam aviation has decided to spend $2.5 million in loans to transform and expand the Tan Son Nhut Airport terminal in order to serve 1.5 million incoming and outgoing passengers annually as compared to only 500,000 passengers in 1975.

The designing engineering institute of Ho Chi Minh City's construction service and the 625 project designing enterprise has almost completed the transformation and enlargement of the central part of the terminal for international flight passengers.

When completed, the Tan Son Nhut international airport will have a total area of 14,700 square meters to receive at one time 900 passengers from three airlines.

VNA Details Business Exports, Productivity

BK0510104291 Hanoi VNA in English 0622 GMT 5 Oct 91

[Text] Hanoi VNA Oct. 5—So far this year, the Phan Thiet Seafoods Enterprise in southern province of Thuan Hai has exported 400 tons of maritime products, grossing nearly 1.45 million us dollars. In September alone, the enterprise grossed 300,000 US dollars in export.

The Sagoda-4 enterprise under Ho Chi Minh City's industry service, by mid-September had exported 1,370 square metres of woollen carpets and tapestries of them 805 units to the Soviet Union.

The public works machine construction factory in Hanoi has installed an asphalt-concrete mixing worshop with a capacity of 25 tons per hours, the first of its kind in the country.

This workship is servicing the port city of Haiphong. Many provinces and companies have placed orders with the factory for such workshops.

The Hanoi Electro-Mechanical Factory has succeeded in manufacturing a specific-purpose motor with a capacity of 670kw, and 585 revolutions per minute for use in steel-rolling mills.

The motor costs only one-third of an imported motor. It has been supplied to the Bien Hoa Vicasa rolling mill in the southern province of Dong Nai. This success has opened up the possibilily for Vietnam to produce large Electric motors formerly imported.

Meeting Marks World Habitat, Environment Day

BK0710153291 Hanoi VNA in English 1431 GMT 7 Oct 91

[Text] Hanoi VNA Oct. 7—A meeting in response to the "World Habitat Day", October 7 this year as decided by the United Nations, was held today in Ho Chi Minh City by the Ministry of Construction.

Among those present at the meeting were Vice President of the State Council Nguyen Huu Tho and representatives of the United Nations Development Programme (UNDP), the United Nations Centre for Human Settlements (Habitat), the United Nations Environment Programme (UNEP), the United Nations Industrial Development Organisation (UNIDO), the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), the World Health Organisation, and Phnom Penh city of Cambodia.

In his speech at the meeting, Minister of Construction Ngo Xuan Loc pointed out that the Vietnamese State recognises and cares for every citizen's right to have suitable place of residence. He expressed gratitude to the United Nations for its help to Vietnam and his hope for greater assistance from this world body in housing development.

Addressing the meeting, Mr. Nguyen Huu Tho commended the construction industry for its great efforts in solving the housing problem.

For their part, UNIDO and Habitat representatives pointed to the significance of the "World Habitat Day" and expressed their hope for closer cooperation with Vietnam in housing development. The Habitat representative handed over Habitat's award to the Institute of Building Materials Research and a commendatory letter from Habitat's excutive director to the director of the housing service of Ho Chi Minh City.

Also on this occasion, the 1991 national housing conference was opened today in Ho Chi Minh City.

Australia

Trade Office in Osaka, Japan Opens 9 Oct

OW0810140391 Tokyo KYODO in English 1051 GMT 8 Oct 91

[Text] Osaka, Oct. 8 KYODO—Australia on Wednesday will open a trade office in Osaka, its second in Japan, Australian Government officials said Tuesday.

The office, to be headed by Maximilian Burger-Scheidlin, will aim at strengthening Australia's commercial ties in the Kansai area and other regions of western Japan.

Australia's trade office in Tokyo handled Osaka-related business during the past six years, they said.

Soviet Bank Officials To Study Mortgage System

BK0910104691 Hong Kong AFP in English 0932 GMT 9 Oct 91

[Text] Melbourne, Australia, Oct 9 (AFP)—Two officials of the Russian Central Bank are here to study one of the joys of free market democracy—the home mortgage.

For the first time in 74 years, citizens of the Soviet republic will soon be able to purchase the apartments they were previously able only to rent.

The bank's chief legal officer, Raisa Baidikova, and the personal assistant to the bank's chairman, Ekatherina Stepanova, arrived last week to be tutored by a private funds management company.

Legislation currently before the Russian parliament will allow private ownership of property—domestic as well as commercial—and the use of mortgages.

Stepanova told journalists on Wednesday that the Russian system would be similar to the Australian system, with the Central Bank, which monitors 1,800 commercial banks, overseeing the lending process.

"Now we are going to have a market economy, more and more people are going to want to own their own homes," she said.

"There is a great deal of interest in purchasing real estate, but there is also caution."

Australia has one of the highest home ownership rates in the world at about 67 per cent, mostly with the help of a mortgage.

Indonesian Boats 'Caught' in Territorial Waters

BK1010045091 Melbourne Radio Australia in English 0100 GMT 9 Oct 91

[Text] Customs and fisheries officials in the northern Australian port city of Darwin are on alert after three Indonesian fishing boats were caught yesterday in Australian waters. Mark Belling reports that the Coastwatch Organization has stepped up air surveillance off Australia's northern coast.

[Begin Belling recording] Coastwatch has called in a long-range [word indistinct] aircraft to patrol the region's 300 kilometers northwest of Darwin where three Indonesian fishing boats were searched and the crew apprehended yesterday.

It is believed the boats were carrying shark fin and are now being towed to Darwin where the crews will be questioned about possible breaches of the Australian Fisheries Act.

In recent years there has been an influx of Indonesian boats entering Australian fishing grounds at this time of year. One customs officer said he is expecting a similar pattern in coming weeks. [end recording]

Unemployment Rate Said To Pass 10 Percent Mark

BK1010070891 Melbourne Radio Australia in English 0500 GMT 10 Oct 91

[Text] Australia's unemployment rate has risen above the 10 percent mark for the first time since September 1983. Pamela Keith reports that unemployment rose by 0.4 percent in September to 10.2 percent.

[Begin Keith recording] More than 31,000 people joined the ranks of the unemployed, and the main reason for the increase was a rise of 19,300 women looking for full-time work.

On a state by state basis, Tasmania and Western Australia recorded unemployment rates of 11 percent or more while Victoria's jobless jumped to 10.9 percent of the labor force. South Australia recorded an unemployment rate of 10.5 percent and New South Wales and Queensland were even at 9.8 percent. [end recording]

New Zealand

South Africa's Botha Departs for Hong Kong

MB1010165691 Johannesburg SABC TV 1 Network in Afrikaans 1600 GMT 10 Oct 91

[Text] Foreign Minister Pik Botha has left New Zealand without addressing a news conference. During a stormy meeting with that country's Opposition leader Mr. Mike Moore, Mr. Botha accused him of having not a clue about the reforms taking place in South Africa.

Mr. Botha had faced a barrage of questions about, inter alia, state funds paid to Inkatha.

Mr. Botha has departed for Hong Kong en route to South Africa.

Parliament Plans To Inquire Into Frigate Deal

BK1110075791 Melbourne Radio Australia in English 0500 GMT 11 Oct 91

[Text] New Zealand is to launch a parliamentary inquiry into the costs and benefits of two naval ships to be purchased from Australia under the ANZAC [Australia New Zealand Army Corps] frigate program. The foreign affairs and defense select committee will examine concerns about the project's spiraling cost and the rate at which associated work on the Australian-built ships is being offered to New Zealand firms.

The inquiry follows concerns that the cost of the frigates has jumped from about US$540 million in 1988 to nearly US$700 million. The National party government defense minister, Mr. Warren Cooper, says he has no concerns about the inquiry and wants to make it clear that the project will proceed. Under the ANZAC frigate program, the Australian firm, AMACON, has been contracted to build 10 frigates—eight for the Australian Navy and two for New Zealand.

Demonstrators Protest Rabuka's Auckland Arrival

BK0610065491 Melbourne Radio Australia in English 0500 GMT 6 Oct 91

[Text] Protesters and the media have been kept at a distance because of heavy police security for the arrival in Auckland of Fiji's deputy prime minister and coup leader, Major General Sitiveni Rabuka, on a visit to New Zealand.

About 40 demonstrators from the Coalition for Democracy and several other groups waited for several hours at Auckland's international airport to protest against Gen. Rabuka's first visit to New Zealand since the coup in his country. But after arriving two hours late on a commercial flight from Nadi, the deputy prime minister was driven away secretly. A Fijian spokesman said Gen. Rabuka had been given a Fiji welcome at an airport hotel shortly after his arrival before attending a second Maori welcome later.

Gen. Rabuka is in New Zealand to give a keynote address at the annual conference of the Pacific Islands News Associations in Auckland tonight.

Papua New Guinea

'Dumped' Minister To Challenge Namaliu in Court

BK1110080591 Melbourne Radio Australia in English 0500 GMT 11 Oct 91

[Text] The latest reshuffle of Papua New Guinea's cabinet has had an unexpected result. From Port Moresby, Stephanie Clark reports that the minister whom Prime Minister Rabbie Namaliu dumped from the cabinet says he is planning to take the matter to court.

[Begin Clark Recording] Culture and Tourism Minister Aruru Matiabe, was dumped for two reasons. His decision to leave the People's Action Party and for alleged lack of discipline, including breaching cabinet confidentiality. But Mr Matiabe maintains he and prime minister Rabbie Namaliu struck a deal back in 1989, guaranteeing he stay in cabinet so long as he continues to stay loyal to the government until next year's national election.

He says he has that commitment in writing and will use the two letters from Mr. Namaliu,(?as contained in), as the lynchpin of a national court challenge citing breach of contract. [end recording]

Charges Urged Against Ex-Governor General, Diro

BK0610091291 Melbourne Radio Australia in English 0800 GMT 6 Oct 91

[Text] There has been a call for criminal charges to be made in the wake of last week's constitutional crisis in Papua New Guinea. Radio Australia's correspondent, Stephanie Clark, reports the demand has been made by opposition leader, Paias Wingti.

Clark points out that there has still been no word on whether former governor general, Sir Serei Eri, and former deputy prime minister, Ted Diro, will face criminal charges—Sir Seri for interference with the judiciary and Mr. Diro for the [words indistinct] of the 81 corruption counts he had been found guilty of by a leadership tribunal. But Mr. Wingti says there cannot be one law for the country's leaders and another for the ordinary people and the matter must be pursued to the end.

Prime Minister Blames Rebels for Delaying Talks

BK0810060791 Melbourne Radio Australia in English 0500 GMT 8 Oct 91

[Text] Papua New Guinea's prime minister, Rabbie Namaliu, has blamed the separatists from Bougainville for delaying their latest round of talks aimed at settling the crisis on the island.

Mr. Namaliu condemned, what he called, the delaying tactics of the Bougainville Revolutionary Army [BRA] and he warned that time was running out. His comments came after the third round of peace talks between the government and BRA was postponed for the fourth time. The talks had been scheduled to start today, but the two sides could not agree on the venue. No new date has been set for the meeting which was originally planned for July.

Mr. Namaliu says if the BRA want to participate in finding a peaceful solution to the Bougainville crises, they will have to cooperate with the Port Moresby government.

Meanwhile, Mr. Namaliu has denied opposition allegations of improper business links between relatives of senior government politicians and the Commonweath Development Corporation. The allegations were made by deputy opposition leader, Sir Julius Chan. Mr. Namaliu said he was sure the London-based Development Corporation was not involved in anything dishonest.

BRA Supports Further Peace Talks With PNG

BK1010070691 Melbourne Radio Australia in English 0500 GMT 10 Oct 91

[Text] The Bougainville Revolutionary Army [BRA] says it is willing to attend further peace talks with the Papua New Guinea Government and that the only disagreement is over where they should be held. The third round of peace talks scheduled for last Tuesday was canceled because the BRA wanted them held in New Zealand while the government insisted they be in Papua New Guinea.

Solomons Radio says that a report reaching Honiara from Arawa in Bougainville states that a letter is being sent to Prime Minister Rabbie Namaliu insisting that the talks be held in another country.

In another report, the BRA claims the Papua New Guinea security forces have resumed using Australian-supplied helicopters to move troops in the north of the rebel island. The two helicopters had earlier been withdrawn following allegations that they had been used as gunships. Solomons Radio says there had been no independent confirmation of this.

Protest Riot Costs Town Government Funding

BK1110084291 Melbourne Radio Australia in English 0500 GMT 11 Oct 91

[Text] A riot in (Daru), in Papua New Guinea [PNG]'s western province, earlier this week has turned out to be costly to the townspeople. Radio Australia's Port Moresby correspondent Stephanie Clark says the population went on a rampage because they wanted to know how public funds are being spent. But now those same government funds are going to pay the cost of repairs for the damage caused in the riot.

[Begin Clark recording] About 1,000 people took to the streets in (Daru) on Monday throwing rocks and bottles at businesses and government offices and ransacked a shopping center and looted a provincial premier's residence. The damages bill stretches into hundreds of thousands of dollars. Premier (Robert Macnob) was out of town when the riot took place. He is furious and says a special grant in question will go towards repairs rather than the capital works in a province it was really (?allotted) for. [end recording]

Vanuatu

Opposition Leadership Row Disrupts House Session

BK1010063691 Melbourne Radio Australia in English 0500 GMT 10 Oct 91

[Text] The speaker of the Vanuatu Parliament, Vincent Boulekone, is adamant that the Tan Union Party—the official opposition in Parliament—and the Tan Union president, (Joseph Jakobi), is the official leader of the opposition. Mr. Boulekone says anyone wishing to challenge his decision should make it in a written motion to Parliament for debate. The speaker said this in response to complaints from former prime minister Walter Lini's National United Party, NUP, that it should be the official oppositiion. The party has 21 of the 46 seats in Parliament. It boycotted Parliament yesterday forcing the session to be adjourned until next Monday through lack of a quorum.

The NUP says it is surprised the speaker is continuing to disregard Father Lini who leads the majority opposition group in Parliament, and instead recognizes as leader of the opposition Mr. (Jakobi), whose party has only five members in Parliament. The NUP says if the Tan Union is the opposition, then it would mean Prime Minister Kalpokas is heading a minority government because the opposition side will then have a total of 27 members against the ruling Vanua'aku Party's 19 members. But Speaker Boulekone says he will only rule on the matter in Parliament after a debate.

New Government's Majority Halved After Defection

BK1110080491 Hong Kong AFP in English 0751 GMT 11 Oct 91

[Text] Port Vila, Oct 11 (AFP)—Vanuatu's new government formed by Donald Kalpokas after the sacking last month of Prime Minister Walter Lini has had its four seat majority halved by the defection of one of its members.

Former Lini minister William Mahit, who seconded the no confidence motion that ousted Lini on September 6, changed his mind and switched sides, Radio Vanuatu reported Friday.

Mahit, minister for lands, was one of the eight ministers sacked by Lini in his recent purges, but for different reasons than most of the others. He was told in late June that members of the ruling Vanua'aku Party had complained "about aspects of his social behaviour in public."

Mahit, who could not be contacted for comment Friday, has joined Lini's newly formed National United Party, which is now in opposition to the Vanua'aku Party. His defection means the VP now has 24 members to the NUP's 22.

Radio Vanuatu said Mahit had met Lini on Thursday to make it clear that he wanted to join the NUP.

Friends said Mahit was planning a traditional reconciliation ceremony with Lini later Friday to square off for seconding the motion of no confidence on September 6.

The Prime Minister's office said in a statement Friday that a senior civil servant Douglas Malesu had quit Lini's NUP to rejoin the VP. Malesu, a former first secretary in the Lini government, had performed a reconciliation ceremony with Kalpokas.

A government spokesman said Friday Malesu had attended Lini's recent party meetings, but on Thursday had brought some kava (a regional drink), a mat and a chicken to demonstrate his contrition.

Kalpokas said "the door of the Vanua'aku Pati is always open, and anyone who left the party but wants to come back can do so, if he follows the right procedure."